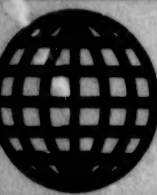


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JPRS Report

Near East & South Asia

Near East & South Asia

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REGIONAL AFFAIRS

Inter-Arab Investment Guarantee Corporation Annual Report

94AE0010A London AL-HAYAH in Arabic
12, 13 Oct 93

[12 Oct p 11]

[Text] Dubayy—According to the annual report of the Inter-Arab Investment Guarantee Corporation, in 1992, 10 Arab countries received more than \$12 billion in Arab and international loans, grants, and aid to strengthen their national economies, promote development and economic reform programs, implement industrial projects, and finance various governmental purchases.

The figures cited in the report show that—of the total aid, loans, and grants provided by Arab and foreign countries and development funds to the 10 countries—Egypt, Algeria, Morocco and Tunisia received \$9.47 billion (78 percent), and Jordan, Sudan, Syria, Lebanon, Mauritania, and Yemen received \$2.7 billion.

In 1992, Egypt continued to be the largest Arab recipient of Arab and international loans, aid, and grants. In 1992, Egypt received \$2.8 billion—or 22.7 percent—of the total loans obtained by the Arab countries. This figure is 40 percent lower than \$4.6 billion in aid that Egypt received in 1991. Algeria continued to be the second largest Arab aid recipient in 1992, receiving \$2.5 billion, up 66 percent from \$1.5 billion in 1991.

Morocco last year received \$2.2 billion, up 37 percent from 1991 (\$1.6 billion), and Tunisia received about \$2 billion, up 74 percent from 1991. Jordan faced a difficult year, receiving its lowest level of aid, grants, and loans in many years. The total received by Jordan from governments and international financial organizations and bodies was \$275 million, down from \$800 million in 1991 and \$1.15 billion in 1990. The aid and loans received by Syria also recorded a sharp drop. In 1992, they totalled \$510 million, down from \$1.2 billion in 1991.

Lebanon was a major Arab recipient of loans and aid. In 1992, it received \$1.37 billion, up 55 percent from the \$890 million it received in 1991. Loans and aid provided to Yemen increased by 57 percent, from \$175 million to \$275 million. Mauritania received \$91.5 million, Sudan received \$178 million, and governments and international and Arab organizations provided \$68 million to the occupied Arab territories.

Egypt

In 1992, Egypt received \$2.8 billion in loans, grants, and aid. Of this amount, Arab countries and funds provided \$790 million, and foreign financing parties, the World Bank, and Western governments provided the balance.

The Arab Fund for Economic and Social Development [AFESD] loaned Egypt 36 million Kuwaiti dinars [KD] for a sewer utilities project, and \$137 million for the Sidi

Kurayr Electrical Station Project. The Kuwait Fund for Arab Economic Development [KFAED] gave Egypt four loans: KD36 million for sewage utilities in 46 Egyptian cities; KD44 million for the Sidi Kurayr Electrical Station; KD50,000 as technical aid serving a polyester project; and KD44 million for the Sidi Kurayr steam electricity station. The Saudi Fund for Development loaned Egypt 64 million riyals to build a road between Cairo and Asyut, and 94 million riyals for a land reclamation project. The Abu Dhabi Fund for Arab Economic Development [ADFAED] gave Egypt \$80 million for a land reclamation project.

The Islamic Development Bank loaned Egypt \$173 million, \$106 million of which is a grant, for financing and investments. The Chinese Government gave Egypt \$15 million to fund small-to-medium projects. The French Government gave Egypt a \$40 million grant and the Danish Government gave it a 35.3 million kroner grant for use in the wind energy sector.

The Japanese Government gave Egypt 10 grants last year: 7.5 billion Japanese yen [Y] to renovate the Ahmad Hamdi Tunnel, Y151 million to import laser equipment, Y5.8 million to import circuit boards, Y1.486 billion for the Nursing College, Y151 million to help increase wheat production, and Y5.5 billion in grants for other uses.

The British Government gave Egypt a grant of 2.1 million pounds sterling, the Italian Government provided a grant of 12 billion Italian lira for an agricultural mechanization program and a lumber industries training program. Germany gave Egypt two grants, one for 91 million German marks [DM] and one for DM135 million. The Austrian and Swiss Governments gave \$5 million and 60 million francs respectively to the Social Development Fund. The Canadian Government gave Egypt five grants totalling \$55 million for the structural adjustment program and the sewage system maintenance and development project.

In 1992, the U.S. Government provided Egypt with grants and aid totalling \$885 million, including \$80 million to expand the southern Cairo electrical station, \$50 million to purchase agricultural produce and to reform the financing structures of agricultural banks, \$200 million to support the economic reform policy, \$200 million for the commodity importation program, \$65 million for a sewer project and canal, \$35 million for the National Agricultural Research Project, \$16 million for the Science and Technology Project, and \$23 million for irrigation system management.

The World Bank provided \$220 million for the al-Karimat Electrification Program and \$45 million for the National Sewage Project. The Agency for International Development provided \$75 million to the National Sewage Project, \$26 million to anti-Bilharziasis projects, and \$9 million to facilitate privatization.

The African Development Bank gave Egypt 100 million accounting units for its structural adjustment program, and 42 million accounting units for a supplementary project to expand the Western Cairo Electrical Station.

The African Development Fund provided a grant of 2.5 million accounting units to support the International Cooperation Ministry and 1.7 million accounting units to support the National Institute of Metals and the Egyptian General Authority for Standardization in the Industry Ministry.

Algeria

Loans and aid received by Algeria last year from Arab financial organizations were limited to an \$11.1 million loan provided by the Arab Trade Financing Program to refinance commercial deals. Other financing agencies were more active. The Islamic Development Bank gave Algeria a \$13.5 million loan to finance trade. Banque National de Paris provided 1.5 million French francs [Fr] to renovate the Skikda Gas Complex. The Italian Government provided two loans of \$300 million and \$18 million for the importation of Italian commodities. The Japanese Government provided \$80 million to finance oil projects.

The EEC gave Algeria a loan worth seven million European currency units [ECU] to build public housing. The World Bank provided Algeria with \$75 million for an electricity generation station and road building, and \$58 million for a forest conservation project. The United States gave Algeria three loans, two for \$560 million and \$100 million to finance food purchases, and one for \$485 million to develop natural gas facilities. The European Investment Bank provided ECU53 million to build a dam at Tizi Ouzou.

In 1992, the African Development Bank loaned Algeria 150 million accounting units to support the economic reform program. The Japanese Export-Import Bank provided \$300 million to restructure economic organizations. The Belgian Government provided 100 million Belgian francs [BF] to finance a commodity loan, and the German Government provided DM30 million to finance a commodity loan. The Banque Nordique Investissement provided \$65 million for the same purposes.

Morocco

Morocco received \$240 million in loans and aid from Arab financing agencies in 1992, which is more than Algeria received in that year. The AFESD provided KD30 million for an irrigation project in the area of upper Dkakla, and KD18 million to finance a highway between Rabat and Larache. The KFAED provided KD15 million for the same project. The Arab Monetary Fund provided Morocco with 14.8 million dinars of account to finance foreign trade operations.

In 1992, Morocco received 320 million accounting units in loans and aid from the African Development Bank for seven projects, including support for the Banque Marocaine du Commerce Extérieur, financing for the fifth water program, support for real estate and hotel loans, and other development operations.

The World Bank loaned Morocco \$275 million to strengthen infrastructure. The OPEC Fund for International Development gave Morocco three loans, one for

10 million accounting units to finance the Hachch Dam Project, one for \$7.5 million to finance the Lower Taout Irrigation Project, and one for \$5 million to finance the Hachch Dam Project. The Italian Government loaned Morocco \$100 million to support the activity of medium and small companies. Morocco also received a loan from the Spanish Government for 150 million Moroccan dirhams to strengthen the operations of the Moroccan Banque Nationale pour le Développement Economique, and \$130 million from the IMF to finance economic reform programs.

In 1992, a group of international commercial banks loaned Morocco 153 million European accounting units for developing Moroccan-EEC economic cooperation. Also, the EEC provided \$570 million in famine aid, the U.S. Department of Agriculture provided \$11 million for the purchase of U.S. food commodities, the U.S. Export Bank provided \$25 million to the Office Cherifien des Phosphates [a state enterprise to exploit, transport, and commercialize phosphates] and \$21.4 million to finance the purchase of an automated air traffic control system. The Association of European Banks provided ECU110 million to finance the M'jaara Dam and \$60 million to finance oil imports.

[13 Oct p 11]

[Text] Dubayy—Figures cited in the annual report of the Inter-Arab Investment Guarantee Corporation show that 10 Arab countries last year received \$12.3 billion in Arab and international loans, aid, and grants. Egypt, Algeria, and Morocco were the largest aid and loan recipients, receiving \$2.8 billion, \$2.5 billion, and \$2.2 billion respectively. Lebanon received \$1.3 billion and Syria received only \$510 million in aid.

Tunisia was the fourth largest recipient in 1992. It received about \$2 billion from Arab and international financing agencies. The Arab Monetary Fund loaned it \$15 million to support its balance of payments, and the AFESD loaned it KD20 million to complete the Sidi El-Barek Dam.

Last year, Tunisia received three loans from the Islamic Development Bank: one for \$11.3 million to cover the importation of pulp for producing paper, one for \$3.6 million to cover cotton imports from Syria, and one for \$135 million to finance tourism programs. The World Bank loaned Tunisia \$60 million for natural gas infrastructure development and \$75 million to finance education projects. The Belgian Government provided Tunisia with BF30 million to finance joint projects between small and medium firms in the two countries.

The German Government provided Tunisia with DM45 million to strengthen bilateral financial cooperation and \$15 million to strengthen technical cooperation. Tunisia received Fr500 million from the French Government to develop technical cooperation and Fr100 million to develop joint projects. The EEC loaned Tunisia ECU85 million to finance water and soil projects and to strengthen technical cooperation. Tunisia received BF100 million from the Belgian Government to finance

joint-venture contracts, and \$110 million from the Spanish Government to finance the importation of Spanish equipment and joint-venture contracts.

The European Bank for Investment and Reconstruction loaned Tunisia ECU15 million to support a venture capital project. The Central Economic Cooperation Fund provided 100 million francs to finance projects of small and medium organizations. Also, a banking association—comprising 11 European banks, four Arab banks, and an American bank—loaned Tunisia \$110 million to finance projects included in the eighth plan. The European Development Bank gave Tunisia two loans totalling ECU35 million to finance a project to clean up cities on the Gulf of Gabes, and the U.S. Department of Agriculture loaned \$200 million for the purchase of cotton and wood materials.

Tunisia received Fr100 million from the Chinese Government to finance the needs of joint organizations, and three loans totalling ECU64 million from the EEC to finance joint projects and to develop small and medium industrial organizations. The World Bank loaned Tunisia \$60 million to finance a natural gas infrastructure development project, and the European Investment Bank loaned Tunisia ECU30 million to finance a project to curb pollution.

The U.S. Government donated \$10 million to Tunisia to privatize public organizations, support decentralization, and develop the Tunisian economy. The Japanese Government donated Y45 million for sports equipment. The French Development Fund provided Tunisia with Fr430 million in aid. The World Bank loaned Tunisia \$75 million to finance a municipal development project.

Lebanon

Lebanon was the fourth largest recipient of Arab and international loans and aid in 1992. It received a total of \$1.375 billion, up 55 percent from 1991.

Lebanon received about \$110 million in aid and loans from Arab development funds. The AFESD provided \$76 million to finance electricity projects, 41 percent of which was a donation. The KFAED loaned Lebanon KD10.3 million to modernize local telephone networks.

Lebanon received a larger number of loans and aid from foreign financing agencies to repair its economy, which was destroyed by the civil war. The EEC loaned Lebanon \$240 million to finance electricity and communications projects, 44 percent of which is a gift. The World Bank loaned Lebanon \$150 million to finance infrastructure and housing projects, 13 percent of which is a gift. The French Government loaned Lebanon \$180 million to finance electricity and communications projects, 69 percent of which is a gift, and donated another \$1.6 million to reorganize the Hirsh [name as transliterated] Beirut.

The Belgian Government loaned Lebanon \$2 million for its electricity sector, \$1.5 million for its transportation sector, and \$50 million for its transportation sector, 38 percent of which is a gift. The German Government donated \$4.4 million for agriculture and schools.

Lebanon received \$484 million from the Italian Government for infrastructure, and a \$33.3 million donation from the United States to provide food assistance for southern Lebanon and to rebuild College Hall at the American University in Beirut.

The UN Food and Agriculture Organization donated \$500,000 to rehabilitate Beirut Port, and the U.S. Agency for International Development provided \$443,000 to humanitarian associations. The OPEC International Fund provided \$5 million, and the International Agricultural Development Fund provided \$10 million, to the livestock production sector. The UN Development Project donated \$13 million for food aid and construction purposes. The International Food Program donated \$17 million for displaced persons and farmers. And the Star [name as transliterated] organization (a subsidiary of American Life Insurance Company) donated \$15,000 to help rebuild College Hall at the American University in Beirut.

Syria

Syria received only about \$510 million in aid, most of which was from Arab financing agencies. It received: 911 million dirhams from the ADFAED to finance an electricity generation station project, the 'Adra Cement Project, and a spun cotton thread project; KD30 million from the AFESD for a fertilizer factory project; and three loans from the KFAED, including one for KD14 million for a telephone communications project, one for KD16.2 million for the Idlib spun thread project, and one for KD.25 million in the form of a grant for the Hamah Cement Factory.

The OPEC International Development Fund provided a \$10 million credit line to the Cooperative Agricultural Bank. The International Food Program provided \$23 million to the Compulsory Education Project, the International Fund for Agricultural Development provided \$15 million for an agricultural development project in the southern area, and China provided \$10 million for economic and technical projects.

Jordan

Last year, Jordan received only a minor share of loans and aid, \$275 million. All of it was provided by international financing agencies, and none of it was provided by Arab financing agencies. The German Government loaned Jordan DM5 million to assist the agricultural sector. The German Development Bank provided \$37 million as a commodity loan. The French Government provided Fr200 million to finance the purchase of French goods and services. The Chinese Government provided \$6 million for the implementation of a national library project, and \$10 million to finance different projects.

The EEC provided Jordan with ECU114 million in loans and gifts to finance the purchase of goods from the community, combat desertification, finance structural reforms, and support the agricultural sector. The British

Government granted Jordan 17.5 million pounds sterling to finance development projects in the water and education sectors. The Italian Government loaned Jordan \$38 million to finance imports from Italy. The European Investment Bank loaned Jordan ECU8 million to finance the expansion of Amman Industrial Park and to develop projects of the Water Authority. The Islamic Development Bank loaned \$11.6 million to the Arab Engineering Industries Company.

Yemen

Yemen received \$275 million in loans and aid last year, including \$20 million from the Japanese Government to finance drinking water and agricultural projects, alleviate debt burdens, and support water and road construction projects. The German Government provided three loans worth DM90 million for water, sewage, and electricity projects, and it granted \$65 million to finance development projects. The U.S. Government provided \$30.7 million for the purchase of American flour and wheat and the financing of a feasibility study on electricity generation stations. Britain provided 4.6 million pounds sterling for the purchase of agricultural equipment.

The French Government granted Yemen \$70 million to develop communications, transport, and fishing. It also loaned Yemen \$12 million to expand the Land Transport Organization's workshops. The Dutch Government loaned Yemen 20.5 million Dutch guilders for a water source evaluation project and the development of environmental awareness, and it granted it 3.5 million Dutch guilders for agricultural training. China provided Yemen with 50 million Chinese yuan for technical and economic cooperation projects.

Yemen received \$52.8 million from the Organisation Mondiales Cebitaires for a water and land conservation project and primary education, a grant for \$13 million from the International Food Program to develop rural communities, and \$620,000 from the UN Food Program for a radio and television planning program.

Occupied Palestinian Territories

The Palestinian occupied territories received a total of \$68 million last year. The AFESD granted KD400,000 to establish a medical diagnosis project. The Islamic Development Bank provided \$878,000 for a fruit and vegetable canning factory at 'Azzut. The EEC provided a number of grants: one for ECU29 million for the Palestinian Housing Council; one for ECU15 million to finance industrial, agricultural, and tourism projects; and one for 12 million units of account for the hospital in Khan Yunus.

The occupied territories received four grants from the OPEC Fund: one for \$300,000 to finance an artificial limbs factory in Bethlehem, one for \$200,000 to finance construction of the Rawdah Ghurrah Hashim School, one for \$400,000 for a medical diagnosis project, and one for \$400,000 for the medical center in Nabulus.

PALESTINIAN AFFAIRS

Causes of PLO-Jordanian Discord Analyzed

94AA0029A London AL-HAYAH in Arabic 3 Jan 94 p 7

[Article by Salamah Ni'mat: "Amman Disturbed by 'Arafat's Giving Priority to Agreement With Israel Before Jordan"]

[Text] Amman—King Husayn's statements two days ago have revealed the extent to which relations between Jordan and the PLO have deteriorated in the wake of the PLO's failure to coordinate with Jordan, its refusal to approve a bilateral economic agreement, and its ignoring Jordan's position on border crossings between the Jericho autonomous area and the kingdom.

King Husayn's warnings to the PLO of the consequences of continued neglect in coordinating with Jordan came as a signal that his patience had run out after weeks of repeated calls to resume coordination and Mr. 'Arafat's refusal to sign the economic agreement with Jordan worked out last November.

These statements have been seen as the clearest indication of Jordan's uneasiness over the repercussions on the kingdom of any Palestinian-Israeli agreement in the framework of a peaceful settlement.

Official Jordanian sources say that King Husayn feels offended by the Palestinian leader's insistence on giving strategic priority to reaching an agreement with Israel before concluding any agreement with Jordan, rather than vice versa. These sources point out that Mr. 'Arafat "is trying to strengthen his negotiating position with Jordan by agreeing first with Israel, instead of strengthening his negotiating position with Israel by agreeing with Jordan." Some Jordanian officials interpret the Palestinian leadership's position as indicating " 'Arafat's desire to link the occupied territories to Israel, instead of linking them to Jordan."

One Jordanian leader asked: "Does Abu 'Ammar [Yasir 'Arafat] intend to cut the umbilical cord between the newborn Palestinian entity and Israel and wean the Palestinian economy from its current attachment to the Israeli entity?"

The Jordanian leader thinks that Mr. 'Arafat is pushing in the direction of "full attachment to the Israeli entity, and rejects all kinds of accord, integration, and agreement with Jordan." He explains that Jordan's reservations about linking the occupied territories to Israel spring from the fact that such linkage will impose on Jordan relations with the occupied territories defined by Israeli interests, rather than by joint Jordanian-Palestinian interests. He stresses that Jordan, "because of its political, geographic, demographic, and economic links to the West Bank, cannot allow its relations with the Palestinian entity to be defined by Tel Aviv." He adds that in the context of any peaceful settlement with Israel, Jordan "wants to deal with Israel as with any

other county, not being forced to cooperate with it by necessity, but in accordance with the dictates of the national interest."

In his speech before senior officers of the Jordanian armed forces two evenings ago, King Husayn described his meeting with Mr. 'Arafat last Thursday evening as "decisive" and said that both of them had been "extremely frank." King Husayn gave the Palestinian leader until tomorrow, Tuesday, to resume coordination "to deal with the required priorities as quickly as possible and with the required agreement and clarity. We, for our part, said that this was the last chance and that afterward we would bear all responsibility separately."

Some analysts think that the Palestinian leader's failure to coordinate with Jordan at this stage is related to his fear of Jordan's future ambitions to "swallow up the West Bank" in the context of a more powerful and stable Jordanian regime. They say that Abu 'Ammar "sees no rivalry to his leadership of the Palestinian people by any other Arab leader except King Husayn, who in Jordan now rules the largest concentration of Palestinians outside the occupied territories and who was able to rule the West Bank with relative success between 1952 and 1967." Contributing to these fears is the fact that Jordan is the only Arab state that has worked to incorporate Palestinian refugees and immigrants by giving them the right to naturalization, to political activity within the political system, and to equality under the Constitution, while the majority of Palestinians in Lebanon, Syria, and Egypt have remained outside the political systems of these countries, however different their demographic makeups may be.

The suspicions of the Palestinian leaders are increased by the fact that King Husayn has not moved to amend the Constitution, which specifies that the West Bank is an inseparable part of the Hashemite Kingdom of Jordan, despite the 1988 decision to break the linkage. This leaves the door open for Jordan to reimpose its sovereignty on the West Bank if circumstances become favorable.

Although some Jordanian politicians show understanding of the PLO's fears, they warn at the same time that these fears should not drive the Palestinian leadership to increased links to Israel.

A PLO official says that Jordanian fears are "exaggerated" and that the future Palestinian entity "is interested in links with the Arab world, not with Israel." However, he points out that the facts on the ground and over a quarter century of economic linkage between the occupied territories and Israel do not permit a rapid breaking of the linkage with Israel and restoration of the linkage with Jordan.

PLO Official Ghunaym Criticizes Israeli Tactics
94AA0029B London AL-HAYAH in Arabic 5 Jan 94 p 6

[Interview with Muhammad Ghunaym (Abu Mahir), Fatah Central Committee member, in Tunis; date not

given: "Israel's Tactics in the Negotiations Raise Doubt About Its Intentions"—first three paragraphs are AL-HAYAH introduction]

[Text] The organization delegate and official for the occupied territories on the Fatah Central Committee, Muhammad Ghunaym (Abu Mahir), stressed the unity of the movement's position on the "Gaza-Jericho-first agreement." He said that everyone must adhere to the position that has become an official Fatah position.

However, he explained in an interview with AL-HAYAH in Tunis yesterday that recent Israeli policy in the negotiations was causing doubt about Israel's intentions to abide by the agreement. He said, "We will work through dialogue to stop these violations and make Israel abide by the resolutions."

The following is the text of the interview.

[AL-HAYAH] After signing the declaration of principles agreement with Israel, did Palestinians discover that they had become embroiled in difficulties over interpretation of the content and concepts of the agreement?

[Ghunaym] The agreement reflects the balance of forces and the circumstances in which it was signed—circumstances unfavorable to us Palestinians and to Arabs in general. We went to the Madrid conference against the background of the post-cold-war balance of international forces, the collapse of the Soviet Union, and the Gulf war, which had major impact on the Arab body politic. Thus, at the Madrid conference we agreed to things we should not have sanctioned had the Arab reality been better and the balance of forces undisturbed—for example, postponing discussion of Jerusalem, the settlements, and the refugee problem. These are questions that will be discussed in the final stage.

The Oslo agreement did not deviate from the formula on which the Madrid conference was based; it did, however, develop that formula to the advantage of the Palestinian people and brought about gains such as Israeli recognition of the PLO, which means recognition of the Palestinian people. Israel's agreement to withdraw from Gaza and Jericho constitutes recognition that these lands are occupied and not Israel's by right. This, too, is a Palestinian achievement.

But the agreement also contained many defects and shortcomings. This is natural because we did not conclude the agreement while we were victorious.

[AL-HAYAH] Israel is ignoring the agreement and continuing to build settlements and confiscate lands. Are these things signs of evasion and retreat?

[Ghunaym] There is more than one question mark about Israel's abiding by the agreement and the nature of its intentions about implementing the terms of the second stage of the transition period—especially regarding the settlements, Jerusalem, withdrawal, and the refugees. These harbingers raise doubt about Israeli intentions. We expect Israel to persist with these tactics, but we will work through dialogue to stop these violations and

induce Israel to abide by the resolutions. On the mass level, protest stands will continue to escalate violently as long as this aggression against the land and rights of the Palestinian people continues. Thus, there are two methods: one official, which is dialogue; the other popular, which is to escalate the violence and protest against Israel's policy through its army and settlers. The Palestinian response will be proportionate to the amount of Israeli violence.

The present escalation in the occupied territories does not aim necessarily either at destroying the agreement or speeding its implementation. The struggle basically is linked to the presence of the occupation and will continue according to the nature of the circumstances, as long as the occupation and settlement exist in Palestinian territory. Israel's implementation of the terms of the agreement and handing over power to Palestinians will signal the sincerity of Israel's commitment and will help calm conditions and turn attention to a new stage.

[AL-HAYAH] To what extent is the PLO abiding by the terms of the agreement at a time when Rabin's government is accusing the PLO of not abiding by the tenor of the agreement?

[Ghunaym] The Israeli position wants to shrink the powers and the area of Palestinian national sovereignty in the transition period to as little as possible. In other words, it wants to make these powers functional. We, however, understand these powers as the agreement indicated: that foreign security and foreign relations are not the right of the Palestinian authority. Thus, the prerogatives must be full. So we hold fast to this right. Israel, for its part, is trying to give its own interpretation. We think that Israel's logic about this is weak. Through negotiations, it may grant the Palestinian position because that position agrees with the content of the agreement.

[AL-HAYAH] How do you interpret the reserve of international organizations regarding the composition of the Palestinian economic council? In the context of Palestinian self-rule is this reserve foreign interference and tutelage over Palestinian structures?

[Ghunaym] It is not interference. Rather, certain of the parties tried to impose conditions on the mechanism for forming the council, but we rejected this. They have recognized and approved what we have done. Their terms were rejected, and in the end they retreated from them.

[AL-HAYAH] Did Israel intend to load the declaration of principles agreement with provisions or economic agreements aimed at normalization and making the Palestinian economy dependent on Israel and a bridge to normalizing Israel's relations with the Arab world?

[Ghunaym] There still is no real Palestinian economy, because the occupation confiscated everything. Thus the Palestinian economy became, as it were, part of the occupation economy, because the occupation joined the Palestinian economy to its economy in its occupation

stage. In our transition period we shall try to achieve Palestinian economic separation, so that our economy can be independent from the economy of the occupation. After the transition period everything is open to discussion.

But we must realize that the next stage involves a Middle Eastern economic system. Our choice is the Arab option. We will work to build an Arab base that moves in two directions: a political direction that moves toward unity, and an economic one that makes these Arab interests integrated and homogeneous, so that our choice of the Middle Eastern system will accord with the extent of our national aspirations. As for the apparent intertwining now between the Israeli economy and the Palestinian economy, the process is to disentangle the Palestinian economy from the Israeli economy. It is liberation from the Israeli economy, not being attached to it.

[AL-HAYAH] The agreement has caused debate in the ranks of the Palestinian national movement, particularly at the level of the Fatah movement, between opponents and supporters of the agreement. To what extent is this debate influencing the Palestinian political course?

[Ghunaym] The state of debate that has arisen within the movement is something natural. It arises from democratic practice within Fatah before making a decision. However, when a decision is made, there is complete adherence to it, whether it expresses one's point of view or differs from points of view. No one in Fatah will go against the agreement or hold reservations about it, because the position now is a Fatah position, and everyone must adhere to it.

As for the negotiations, they take difficult forms because they are based on differing points of view about texts contained in the agreement, despite their explicitness; for each party is trying to strengthen its point of view in accordance with its understanding of the provisions of the agreement.

Israel is obstructing the negotiations through its understanding of the subject of security. It seems to want to undertake a new occupation of the Gaza Strip through its understanding of the security of the settlements. The Palestinian side rejects this. Israel always gives itself the right to have a presence on the ground, whether on the borders, in the settlements, or outside them. All this does not give Israel the right to find excuses or justifications for its military presence. Nevertheless, Israel has granted the necessity of a Palestinian presence at the crossings and on the borders. But everything depends on the ability of the Palestinian negotiator—on his understanding of the nature of the agreement and of what the texts contained in the agreement give us.

EGYPT

Minister on Jobs, Investment, Regional Planning
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pp 18, 19

[Interview with Mahmud Sharif, local administration minister, by Suhayr al-Husayni; place and date not given]

[Excerpts] [Passage omitted] The first question we pose to Local Administration Minister Mahmud Sharif concerns President Mubarak's call to develop the southern valley and encourage investors to direct their projects to the southern governorates. How is this done? Is there a defined plan to achieve this? Does this plan provide additional incentives to encourage investors to develop the southern valley rather than basing their operations in Cairo and the surrounding cities? The local administration minister responds:

[Sharif] Regarding the southern valley, a decision has been made at the highest state level to channel development to the south. The south has been deprived of vitality for many years, given that the focus has been on the capital and the large governorates. We are now making a maximum effort to channel the bulk of development to the south. The state's role in achieving this centers on support of social services in the southern governorates, such as health, education, infrastructure, utilities, and sewerage. That leaves production, which is an important, vital part that can provide new jobs for young people.

Developing the Southern Valley

[Al-Husayni] Jobs in the governorates of Upper Egypt are perhaps limited for young people, who tend to migrate to the capital in search of work.

[Sharif] Therefore, we are trying to create jobs in the southern governorates by providing social services. In other words, when we build a school, hospital, or offices for service providers, we provide new jobs for young people. We are also creating jobs through production projects that will be established there. The private sector will play a primary role in establishing these projects. To achieve this, we have begun to establish a number of industrial zones, including one in the governorate of Sawhaj, one in the governorate of Asyut, and three in the governorate of Bani Suwayf.

[Al-Husayni] Are these industrial zones being established in the governorates or in the new cities, which are considered an extension of these governorates?

[Sharif] This is being done in accordance with each governorate's circumstances. For example, we have established an industrial zone in the new city of Bani Suwayf in the governorate of Bani Suwayf, and another zone in Sawhaj, east of the Nile. We are taking into account the creation of new communities, but we are not moving too far away from the infrastructure. These new industrial zones will offer all advantages, tax and customs exemptions, unlimited exportation, and domestic marketing opportunities.

Additional Incentives in the South

[Al-Husayni] Someone who invests in the cities of 10 Ramadan and 6 October on the capital's periphery can obtain all of these exemptions and benefits. Will additional incentives be offered for investing in the southern valley?

[Sharif] Nominal land prices are an additional incentive for investing in the southern valley. Also, the southern governorates are making efforts, under the governors' direct supervision, to provide all immediate services required by investors in the new industrial zones. We all know that investors are most bothered by red tape and having to go from one office to another. Therefore, an office subordinate to the Investment Authority has been opened in the governorate of Sawhaj to make matters easy for persons investing in the south.

[Al-Husayni] Does the Sawhaj investment office have all authorities [to act independently], so that investors do not need to refer to the Investment Authority's main office in Cairo?

[Sharif] (With conviction) The investment office established in the governorate of Sawhaj has all authorities to act independently. The investor will not need to refer subsequently to the authority's main office in Cairo. Another incentive to invest in the south is the ability to acquire land for a project at a price equivalent to the cost of utilities. Land is being offered to investors in the southern valley at nominal prices.

[Al-Husayni] What is the price for a meter of land in the industrial cities in the governorate of Sawhaj or Asyut for example?

[Sharif] In the industrial zone in the governorate of Sawhaj, for example, a meter cost 50 Egyptian pounds, even though this new zone is located only about three or four km from eastern Sawhaj. Also, we have built in this new city 14 schools, several clubs, and a town for tradespeople. Residential neighborhoods are now being built in these new cities, and roads connecting them to the governorate are being paved. Also, investors can acquire as much land as they wish in these new cities, with no maximum limit. As a result, 100 projects have been submitted to date to the Investment Authority's Sawhaj office, even though the call to develop the southern valley was made just a few weeks ago.

One main reason for investors' obvious interest in investing in the new industrial zones is no doubt President Husni Mubarak's speech to inaugurate the session of the People's Assembly and Consultative Council. President Mubarak said that all projects worth five million pounds or less do not require authorization to start operating. Therefore, an investor's mere trip to the investment office and completion of a form provided by that office is by itself considered authorization to start operating.

The Investment Office in Sawhaj

[Al-Husayni] By five million pounds, do you mean the value of the capital with which the project will be established or the total value of the project's investments?

[Sharif] The value of the capital with which the project will be established, not the volume of the project's subsequent investments.

[Al-Husayni] Investors are afraid to start a project without taking the measures required by the Investment Authority, especially notification of pertinent agencies and obtainment of authorizations. They do not want to be surprised, after their factories start operating, by inspectors from these agencies asking them for permits and authorizations regulating activity in industrial facilities.

[Sharif] (Confidently and calmly) The reality is that an investor, by merely filling in the information requested on the form given to him at the Investment Authority's Sawhaj office, in effect begins immediately to notify all pertinent agencies. For example, the Sawhaj office notifies customs to exempt the investor from customs duties. It notifies taxes to open a file on the investor and exempt him for 10 years. Then, it notifies the notary office, because the investor may need to purchase and register land. It notifies social insurance and manpower to permit the investor to employ the manpower required for the project. It notifies electricity and the governorate to which the investor is subordinate if the investor wishes to purchase land in the governorate. It notifies the Construction Ministry if the investor needs to purchase land outside of the governorate's cordon. The investment office does all of this as soon as the investor fills out a form given to him by the office.

Approval of 40 Projects

[Al-Husayni] Will the Investment Authority's office in the governorate of Sawhaj serve all investors in the southern valley? Or will investment offices be opened in each governorate?

[Sharif] Our goal in the future is to establish an office of the Investment Authority in each governorate. We have begun with an office in the governorate of Sawhaj. That office is striving to provide all facilities to investors in the southern valley.

[Al-Husayni] In your estimation, when will these new investment projects begin to be implemented in the industrial cities in the southern valley?

[Sharif] (Smiling with optimism) Actually, investors are very interested and enthusiastic. The Investment Authority has approved 40 projects. I therefore expect that factories will begin operating in these new industrial zones in the south within a year, God willing.

[Al-Husayni] As we move to promote development in Egypt's governorates, will the governorates be divided into integrated economic regions in geographical planning, instead of being treated as independent provinces, to achieve the goals of development plans, especially now, when it has become a crime to transport goods from one governorate to another?

[Sharif] (Responding immediately) First, we need to treat this issue in the framework of the economic reform plan with which the country is now proceeding. Based on regional economic planning, and with a view toward production as an economic pivot, we have begun to shift the major load in reform to the private sector. Based on

these concepts, the dimensions of regional planning and development have expanded, because, as you said in your question, we cannot study the problem of development in Egypt by examining it in each governorate separately. This is especially so, because there are very small governorates that cannot by themselves generate development opportunities. For example, it is difficult to plan development in the governorate of al-Qalyubiyah, because development opportunities exist there in only two or three projects at most. However, development planning becomes more substantive if we speak of the greater Cairo area, which includes Cairo, al-Jizah, and al-Qalyubiyah. The same applies to the Sinai Peninsula. We cannot think about developing North Sinai and South Sinai without also considering Ismailia, which extends 30 kilometer east of the Suez Canal into the peninsula, and Port Said as well. This region should be viewed comprehensively. The Gulf of Suez should also be viewed as an integrated, coordinated unit for development purposes. We cannot view the governorate of the Red Sea or Suez separately. Therefore, when we study a project to develop the governorates, it is better to think on the level of region, where resources are better integrated.

Regional Planning

[Al-Husayni] What is meant by institutional building, and how is it supported?

[Sharif] There is a Regional Planning Authority in the Planning Ministry. Its current role is to collect and study the governorates' projects to pave the way for implementing them. We are now looking beyond this role to one in which the Regional Planning Authority begins to formulate comprehensive development plans for each region, instead of just collecting them. This requires a review of these organizations. There are 26 governorates in Egypt. These governorates are also divided into seven planning regions. We are now stimulating planning activity to generate economic integration between the governorates.

[Al-Husayni] For a long time, we have disregarded regional planning for the governorates. Have measures actually been taken to stimulate regional planning activity as you stated?

[Sharif] I have asked that the governors, the leaders of these regions, begin to meet as a regional council. Three councils have actually met and begun to discuss regional development plans. These steps are being taken now to achieve development at the level of the region, not the governorate.

Decline of Small Industries

[Al-Husayni] Even as we strive to encourage small industries, we see vital industries—tourism and export industries—starting to disappear, such as the silk rug industry in the village of Abu-Hamam and Akhmim, most of whose output was exported, and the industries of Khan al-Khalili, because the older generation of craftsmen are

more interested in sending their children to college to become physicians and lawyers.

[Sharif] (Shaking his head in objection) We are using all of our capabilities to encourage small industries, based on an integrated plan. Six thousand workshops in all of Egypt's governorates have been financed with loans totalling 64 million pounds. Regarding the silk rug industry you mentioned, the Social Affairs Ministry is now purchasing and marketing abroad all of the silk rugs produced by tradespeople or families. [passage omitted]

The Project to Count the Number of Unemployed

[Al-Husayni] A propos training, a large training institute with major capabilities is subordinate to the Local Administration Ministry. Why is its role limited to training only local administration workers? Why do we not try to use these enormous capabilities to train workers in other sectors?

[Sharif] First, this institute was established to train the ministry's local administration leaders. Courses are also held for local administration officials. For example, housing sector workers were given training when the new housing law and Egyptian construction code were promulgated. This was done in cooperation with the Construction Research Institute. The latter is also involved in international activities through its cooperation with the Arab League and the Organization of Arab and Islamic Capitals and Cities, whose training center is located at the institute. Also, two courses were held. One of them was in connection with the Arab Development Institute and concerned the problem of rural-urban migration. We have numerous activity programs. Our policy is that the institute should operate continuously and that its capabilities should be exploited as much as possible, taking into account that we need to complete construction of the institute. Until then, the institute can admit only a limited number of trainees.

[Al-Husayni] Some time ago, the ministry began cooperating with the Manpower and Training Ministry in a project to count the unemployed in all governorates with the goal of providing jobs for unemployed young people. Then you stopped. Are there reasons for that?

[Sharif] (Calmly) We stopped, because we actually completed the unemployment count in 21 governorates. The other five governorates do not have an unemployment problem.

[Al-Husayni] Which governorates do not have an unemployment problem?

[Sharif] The governorates of North Sinai, South Sinai, Red Sea, Marsa Matruh, and New Valley [al-Wadi al-Jadid].

[Al-Husayni] Was the count in the governorates restricted to college graduates, or did it include all unemployed young people?

[Sharif] This count was only for graduates of the educational track, in other words graduates of universities and intermediate institutions. [passage omitted]

Extremists' Prisons Described as 'Total Chaos'

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[Article by Wa'il al-Abrash, Karim Subhi, and 'Isam 'Abd-al-Jawad: "Extremists Rule Prison Administration"]

[Text] Intervention is immediately required by the minister of interior, Major General Hasan al-Alfi! Decisive, rapid, immediate, and radical intervention! Extremists' jails have become totally chaotic and an absolute farce. The silence about them is a crime, and to remain silent is a tragedy. This is what is going on in your ministry's jails, Mr. Minister!

- Legal opinions to shed blood and assault criminal prisoners;
- Abducting officers and guards in prison cells and releasing them only after negotiations with the prison administration;
- A declaration made inside prison: We will kill Christian prisoners;
- Extremists deciding to abolish radios, impose censorship on newspapers and magazines, and ban children's pictures.

After the uproar accompanying the announcement of mediation between security forces and the extremists, "decrees" were hastily issued by the extremists' leaders in Tarah Penitentiary, changing the amirs of certain groups in various Egyptian prisons, who had classified themselves as moderate doves, and replacing them with hard-line hawks.

This affair, therefore, resembled the hasty ministerial change. Furthermore, an amir of extremists in prison is only appointed by decree from his leaders in Tarah. Not only that, but strict instructions were issued in other decrees from Tarah to the new amirs to intensify the rules and penalties against criminal prisoners, who refuse to join up today, and against prisoners affiliated with other movements. These rules are also to be enforced against prison guards, including guards and officers to be tried in special courts inside prison cells, even if it reaches the point of shedding blood by special legal opinions.

This is nothing new. The extremists are running the prisons.

However, what is new is that they have decided to govern them in a more dictatorial fashion, and their bloody mentality is for the purpose of compensating them for their failure to apply their ideas in society.

In this context, the massacre in Abu Za'bal Penitentiary, in which three were killed and 87 criminal prisoners wounded, occurred after a trial—conducted by the extremists' amir in his prison cell—of five criminals, in which legal opinions to shed blood were issued. Used in the massacre were sharp instruments, pocket knives, wooden clubs, and faucets and water hoses after they were uprooted to be used as weapons. The massacre

continued for five straight hours. Prison guards were unable to do anything except watch. The oddity is that the same prison experienced another, no less serious, incident two months ago, where some extremists were able to abduct an officer and a guard from the guard force. They stripped them of their weapons and held them inside a cell, threatening to kill them unless the prison administration complied with their demands, or if anyone tried to approach them. It took several hours before the two were released, after difficult negotiations, during which the prison administration promised not to harm the extremists.

Before that, one of the extremist prisoners had gouged out an eye of one of the officers in the prison courtyard because the officer had dared to ask him not to make disturbing noises. At one time, the most prisoners could do to express complaints and issue protests was to bang on the iron doors with aluminum dishes and utensils and shout hostile threats, abuse, and insults. Today, the extremists protest inside prisons by gouging out the eyes of officers and guards, or detaining or killing them. Egyptian prisons have had armed clashes between extremists and prison administration at one time or another. Mostly, the guard force of officers and men are unable to end the extremists' rebellion and cannot even enter the cells. If one of them dared to enter any cell, he would be trampled by the extremist prisoners. Ultimately, this situation requires summoning black-uniformed special forces, who use tear gas thrown into the cells, and then storm the barracks. The extremists' tricks are unable to stop the tear gas.

An infamous clash occurred several years ago in al-Qanatir Prison, which was like a war between special security forces and extremists. The extremists resorted to a clever trick—one that only combatants would know—to thwart the effectiveness of the tear gas. They placed buckets inside the cells, filled with water. As soon as the canisters landed in the cell, they threw them into the buckets to try to extinguish them. But, in the end, they surrendered because they were unable to continue resisting.

However, they succeeded in capturing the commander of the guard and detained him in one of the cells. They stabbed another officer with a sharp instrument and tipped the scales to their advantage again. The clash continued until night time. The prison commander, Colonel Muhammad Marsa, suffered a stab wound in the stomach, and about 100 officers, guards, and extremists were wounded before security forces were able to gain control of the situation. The rebellious extremists were transferred to the Appeals Prison in central Cairo. The oddity is that the clash occurred after the extremists announced that they were an independent state inside the prison, which would not carry out anyone's orders. They declared their insurrection and stated they were not obliged to carry out the instructions of the prison administration.

Their efforts for power do not stop even after their arrests. They are working to build their hypothetical

state behind iron bars. They will not accept less than everyone's submission to them.

The extremists call these clashes, "intifadah." They remember them as if they were history. They say: "The intifadah of al-Qanatir Prison," the Abu Za'bal Revolution, and the battle of Tarah."

Even inside the prisons, the extremists stir up sectarian strife and do not hesitate to kindle it.

In al-Qanatir Prison, one extremist clashed and fought with a Christian prisoner. A rumor circulated in prison that the extremists would kill all Christian prisoners. The Christians gathered together inside the prison in a state of alarm and despair. When an officer intervened to break up the fight, the extremists hit him. The beaten officer went to the area director, Brigadier General Muhammad al-Wakil, took off his uniform, threw it on the floor, and asked him to restore the honor of the police and discipline the prisoners. Brig. Gen. al-Wakil asked the group's amir to turn over the prisoner who had attacked the officer, so that he could be punished. The amir refused, and al-Wakil gave them a 1600 deadline. When the deadline expired, he summoned the black-uniformed special security forces. They stormed the cellblock and arrested the wanted prisoner.

The extremists' influence transcends the prison to the prisoners' dock in the courtroom.

Aside from acrobatics, abuse, and insults that are uttered inside the wire cage during the trial, after the session has begun the extremists mostly resort to sit-ins inside the cages, refusing to return to prison. The security forces encircle the cages and point gas canisters at the prisoners, forcing them to go to the transport vehicles, but only after long hours of negotiations.

The extremists' control over Egyptian jails is demonstrated by the fact of families inside the prisons. There was the Islambuli family and the al-Ramaz family, but the most famous was the al-Dumayri family, which totalled eight persons under detention. They were called the Al al-Dumayri.

Extremists look at criminal prisoners—perpetrators of crimes of murder, robbery, etc.—with an air of superiority, because they consider them corrupt elements. They try to proselytize and recruit them to get them to submit to the extremists' leadership. Those who refuse to yield are subjected to a special trial in one of the cells. They issue decrees and legal opinions against them, which could lead to bloodshed, as happened in the Abu Za'bal incident. The extremists forbid the criminals to listen to the radio, play backgammon or cards, appear in Ministry of Interior uniforms, or dress in shorts, as per promotion of virtue and suppression of vice. Much of the friction and clashes between the extremist and criminal prisoners is due to these prohibitions. This is especially true when applied to playing backgammon, which the extremists make from cardboard, while the dice are cut from the center of a bread loaf and distributed among the criminals for entertainment. The extremists are not

prepared to offer any concessions to the criminals regarding these prohibitions.

On the contrary, sometime ago through comprehensive strikes, they forced the prison administration to gather up all radio sets in the possession of criminal prisoners, on grounds that the songs coming out of the radios could be heard in the extremists' cells. In fact, an officer went to the cells, accompanied by a guard carrying a large carton, in which the radios were placed. This is a well-known fact that reveals the extent of the prison administration's weakness and the criminals' passivity vis-a-vis the extremists.

However, most of the clashes between extremists and criminals in Egyptian prisons occur because of the practice of wearing Ministry of Interior uniforms, or shorts, by some of the criminal prisoners.

Moreover, those who write articles and stories inside prison are considered by the extremists to be in violation of Islam.

In all these cases, they conduct special trials inside cells. The group's amir issues verdicts to flog the violators. In the face of that, a large number of criminal prisoners are forced to let their beards grow and to demonstrate loyalty to the extremists and their amir, out of fear of their ruthless action. The extremists have formed an internal system to censor newspapers and magazines that entered prisons. They cut out all pictures, even pictures of children, using batteries to do that.

Commercial activities, carried on by extremists, have spread inside prison. They deal in food, beverages, and tea. In this regard, they also have succeeded in making certain special games for children, which they then sell during visits.

In prison, extremists do not belong to just one movement. There is Jihad, the Islamic Group [al-Jama'ah al-Islamiyah], the Repudiation Movement, the Qutbiyun, and others. Clashes between these movements are increasing and, in many cases, turn into fistfights and battles with sharp instruments.

Putting believers in different movements in the same cell is a smart ploy that the security forces use to take advantage of the arguments between them. In this way, they can learn new information and secrets that might be revealed during their debates.

Prisons have been the scene of bloody battles among the various Islamic movements. For example, when the Salafiyahs in al-Istiqbal Prison stated the legal opinion that those who murdered the Central Security personnel in Asyut must repent and atone for the crime that they had committed, the Islamic Jama'ah adherents were furious. They assembled inside the prison and gave speeches, analyzing the terrorist deed that they had carried out. The scene quickly changed into fist and knife fights. Within prison, the extremists do not trust the Muslim Brotherhood. They accuse the Brotherhood of

being in alliance with the administrations of the detention camps, which always allows activities in the prisoners' barracks to be led by young men belonging to the Muslim Brotherhood. The Brotherhood also plays a major role in negotiations between extremists and the camp administration. They are the communications link between the administration and extremist groups that refuse to reach an understanding with security forces. They insist on chaos, strikes, and sit-in strikes in the prison and will not obey orders and instructions from authorities.

When disputes among the various movements, to which the prisoners belong, end up in serious fights and clashes, many of these clashes are peculiar and strange. One reason for this is that the al-'Azmawiyah Group forbid the killing of insects because they are life created by God. They do not permit killing them under any circumstances. They reject and condemn this out of consideration that they are God's property. It is foreordained for man, just as death is total, i.e., by fate and divine decree.

Battles between the extremists and the al-'Azmawiyah have not stopped for a single day, but perhaps the most famous and strangest was what happened at Abu-Za'bal Prison, when fistfights and knife battles broke out between some extremists who belonged to Jihad and prisoners from the al-'Azmawiyah Group. The clash was caused by mosquitos.

The extremists have various movements. Each has its special laws, which it tries to apply on the streets, in the homes, and even in prisons. Perhaps there, behind bars, was where their dreams for power were established.

Many of the terrorists' plans are devised, hatched, and issued by their leaders from inside jails, which have been turned into operations rooms for the extremists.

In the case of the assassination of Dr. Faraj Fawdah, one of the accused confessed that he had received details of the plan from the leader of the military wing, Safwat 'Abd-al-Ghani, imprisoned in Tarah Prison and charged in the case of the assassination of Dr. Raf'at al-Mahjub.

When the prison agency was alerted to the assassination plans, bombings, and terrorism that spread on Egyptian streets, some of which were coming out of the prisons, it intensified measures of custody and sentencing, in order to suppress the terrorists. But the extremists threatened the prison commander and, in fact, carried out their threats and tried to assassinate the commander of Tarah Prison.

However, the real joke, revealed through the deficiency of the Egyptian prison system, was the number of cases of extremist escapes. At the beginning of the year, the amir of the Islamic Jama'ah in Bani Suwayf, Ibrahim Muhammad Sayyid Ahmad, was able to escape from jail. He dressed in the clothes of a veiled woman, brought to him by one of his relatives during a visit. He was able, in fact, to leave with the visitors, but the prison administration discovered the operation. The police forces

quickly pursued the amir who was killed by gunfire from the prison guards. However, he had in fact gotten outside the prison gates.

Prior to this, a well-known major escape incident occurred, in which extremists 'Isam al-Qamri, Khamis Muslim, and Muhammad al-Aswani managed to escape from jail. This incident revealed a major defect in Egyptian prisons, led to the resignation of the prison agency's director, and changed the guard force and administration in Tarah Penitentiary, who were investigated.

Despite the fact that the escape plan was simple, its organizational level poor, and the resources used by the escapees meager, the plan basically relied on the chaos of Egyptian prisons.

The amazing thing is that there are four authorities that supervise, organize, and operate Egyptian prisons. This confirms that the regulations are strong and that the creation of a new supervisory agency is not required.

- The prison administration, responsible for administering the prison's affairs in all its management, financial, culinary, health, social, and punitive aspects. It manages the affairs of prisoners and the guard force. The prison has a doctor to supervise the prisoners' general health. There is a social supervisor to solve their problems, a culinary supervisor to ensure the safety and suitability of their food. There is security supervision represented at the top of the prison pyramid by the commander, his deputy, officials, officers, noncommissioned officers [NCO], and troops.
- Prison secret police. This is a bureau subordinate to the agency, out of consideration that the prison is an independent community in itself, where crimes peculiar to it occur and of which the prisoner himself is the source. Crimes are committed through the visitors who bring in prohibited items to help spread corruption inside the jail. Moreover, the crime may be in collusion with an NCO or a guard and the prisoner. Therefore, prison secret police officers use informers among the prisoners to supply them with information.
- State security secret police. They concentrate on political prisoners and everything concerning them, either inside the prison, during visits, or when being transported.
- Finally, there is the role of the prison guard force which, if necessary, rely on special support forces to operate with them to put down cases of rebellion and riot. These guard forces are also supported by forces from Public Security and Central Security, if necessary. As for outside prison guard forces, they are supported by rapid fire automatic weapons.

In the past, the guard forces depended on volunteers in the police, but today they rely on troops of the third screening—army rejects. The majority of them are illiterate. In Egyptian prisons, there are no modern monitoring or control systems. Despite the fact that some of

these systems were installed in Tarah Prison during Sadat's regime, the contracting company has not as yet operated them. Officials of the prison agency concede the existence of two gaps that contribute to the anarchy in Egyptian prisons and aid in allowing knives to get to the prisoners. They are:

- Collusion by NCO's and troops because of economic, social, and cultural factors. In addition, and more serious than that, is the fact that many of these guards are from Upper Egypt and rural areas. Clan and family allegiance play a role in the occurrence of collusion. In addition, the conscripted guards' commitment is temporary and conditional to a definite degree. Their illiteracy contributes to inferiority and negligence.
- The second gap is the family visits that are always accompanied by a desire to bring prohibited items to the prisoner, by using all kinds of tricks.

In addition, there is a "housing crisis" in Egyptian prisons. The prison agency is forced to house the political prisoners with the criminal prisoners, and clashes occur.

According to the latest reports, the present number of political prisoners in Egypt, in custody and sentenced, totals 3,000. We asked an official in the prison agency: How do you deal with incidents of disorder and anarchy in Egyptian prisons, carried out by extremists who, in fact, control these prisons? He replied: "When disorder occurs, such as sit-in strikes, strikes, and protests, the prison commander or his deputy must intervene, along with his officers, to conduct a dialogue with the prisoners and learn the causes of the disorder. In cases like these, the degree of maximum readiness, either in the prison administration, or the guards, or the secret police, rises in accordance with the circumstances. Visits are forbidden, additional forces are called in, and a cordon of prison guards is placed around the disorderly group."

If the disorder is accompanied by acts of violence, intervention is done with tear gas or smoke bombs, in order to gain control of the situation. The prison agency conducts investigations into the incident, and the disorderly are punished by isolation, loss of visitor privileges, and are given additional work.

The prison agency does all this to keep the prisoners from gaining control over the jails. Shortly after the recent Abu Za'bal massacre, we made a quick visit to the prison. Some 500 meters from the main gate, there is a black gate on which is written "Industrial Security Prison." Close to that was a huge sign: "Prison is Discipline, Correction, and Reform." Visiting was permitted from 0900 to 1500, and no one needs a permit. Only personal identification has to be shown at the gate. Therefore, it is extremely easy.

Attached to the prison is a long hall to receive visitors. This hall measures more than 20 meters long and 10 meters wide. The extremists decided to paint it white, which is their favorite color. The hall contains a large

number of cement benches and floor coverings. The daily number of visitors ranges from 200 to 300.

Only one day before the Abu Za'bal massacre, a prisoner named 'Abd-al-Sattar Rashwan—who was one of the extremists—died after an electrical shock while warming food on an electrical hot plate in his cell, despite the prohibition against electrical hot plates and appliances.

We met with a prisoner named 'Ali, a student in Asyut University. He told us: "Bringing prohibited items into jail is easy and allowed, despite an informer who searches the men and a woman who searches ladies. Everything is available in jail, especially prohibited electrical appliances. The Islamic Jama'ah controls Abu Za'bal Prison. When they meet a political prisoner who belongs to another movement, they try to gain control of his mind, by entering into dialogues with him over the course of weeks. Most of the time the matter ends with his embracing their ideas and joining them, willingly or not."

The prisoner related a strange story: "One day, I was in cell 26, and I heard voices rejoicing and saying 'God is great.' Then, one of the extremists called to all prisoners, demanding that they say the prayer of thanksgiving, because a prisoner who belonged to the Muslim Brotherhood had renounced the Brotherhood's ideas and had joined the Islamic Jama'ah, thanks to the efforts of Shaykh 'Abdallah."

- Who is Shaykh 'Abdallah?
- "A prominent leader inside prison. His real name is different, but he likes this alias. He is 45 and leads a group of extremists who collect money by force from visitors. Each visitor pays 2 Egyptian pounds. This is a tax extorted with the knowledge of the prison administration. Mostly the visitors pay a larger amount, after being persuaded that this money is being collected to buy food and cleaning materials for the prisoners."
- But, how do you buy the food and cook it?
- It is very easy. I have seen Shaykh 'Abdallah reach an agreement with a prison guard to buy food on the outside, in exchange for a commission on each order. He buys macaroni and rice from a street vendor and cans of sauce, which are stored in an empty cell that has been vacated because of its unsuitability. Prisoners from the Islamic Jama'ah use it like a restaurant, cooking the food and distributing it to the group's supporters."
- How do you spend your day in jail?
- "I wake up early, because the dawn prayer is compulsory. Then, one of the brothers helps us memorize the Koran, before we go out for free time in the prison courtyard at 0800. After that, we assemble in groups and train in karate and Kung Fu, which members of the Islamic Group [prefer]. We have breakfast, and then the period of religious lectures begins, which continues until 1700. During this period, which lasts for nine continuous hours, group leaders have an opportunity to gain new recruits from among criminal prisoners, trained to deal with the police. We are

separated from them by barbed wire, but the extremists quickly eliminated that as a factor. They go back and forth, in order to recruit criminal prisoners, especially those who are close to getting out and can be made use of."

Therefore, the extremists control Egyptian prisons. Instead of their power weakening after they go to jail, the opposite happens. Their members increase, because they are successful in recruiting criminal prisoners and converting them to terrorists, at their own volition or despite themselves.

This matter, therefore, requires special consideration after the Abu Za'bal massacre. The prisoner in Abu Za'bal revealed a surprise when he said: "Extremists refuse to sign their release papers; they want to remain in jail for a longer time!"

IRAQ

Prices Said Rising Despite All Government Actions

94LH0004B Baghdad BABIL in Arabic 8 Nov 93 p 2

[Unattributed article: "Worries About Rise in Prices"]

[Text] Baghdad, November 7: Iraqi television mentioned that the Iraqi National Assembly has decided to include the economic situation and wave of price increases on the agenda of its fall session, which began yesterday, Saturday.

In reports broadcast on television Saturday evening, a number of deputy ministers of commerce, agriculture, and foreign affairs, sought to study ways of handling the price rises and efforts to lift the multifaceted sanctions imposed on Iraq since the liberation of the governorate of Kuwait in August, 1990.

Deputy Speaker Ghanim 'Aziz Khadduri confirmed that inflation was continuing in the markets, as were price rises, to a degree burdensome to citizens and society, despite all the measures the government has taken to fight high prices.

Five days ago, Iraqi President Saddam Husayn asked government institutions to stop buying dollars from the local market, in an effort to halt the steep rise in the price of the dollar, which is considered the major cause of the price rises.

Money exchangers in Baghdad say that the price of the dollar has stabilized in recent days, at 106 or 107 Iraqi dinars [ID], after having reached ID115 at the end of October.

The drop in the price of the dinar in the parallel market has been linked to the rise—ranging from 20 to 70 percent—in the prices of basic commodities in recent weeks. The cost of Iraqi foodstuff imports is paid in dollars.

He indicated that the Iraqi dinar is now officially worth \$3.20.

The recent drop in dinar rates is traceable to the suspension of talks between Iraq and the United Nations on the sale of Iraqi oil in early October. These talks dealt with the sale of \$1.6 billion worth of Iraqi oil under UN supervision, to fund Iraq's imports of foodstuffs.

Evildoers Said Behind Continuation of Economic Sanctions

94LH0005A Baghdad BABIL in Arabic 21 Nov 93 p 1

[Article by Amir al-Hulw: "The Usual Miserable Scenario"]

[Text] From the time the evildoers issued their resolution imposing economic sanctions on Iraq and set a bi-monthly reevaluation to discuss the subject of continuing the sanctions in the Security Council, they have been "eager" to concoct events which they begin to broadcast "innocently" as regular news through the "free" and liberal media publicly. Then they "develop" the news into newspaper and television reports which the Zionist lobby, present on the premises of the parliamentary institutions of the US, Britain, and France, seizes, with premeditated planning, to comment upon convulsively and hatefully, as if the reports were true. They want "steps" to be taken against Iraq for having committed these concocted events. They allude to the "measures" they know, which we call "the cowards' opportunity": the call to continue the economic blockade of Iraq, ignoring the humanitarian effects on the proud people of Iraq resulting from the oppressive sanctions.

The next phase comes, with its official character, as the official spokesmen in the American White House, the Pentagon, and the British Foreign Office hasten to voice their "disquiet" that Iraq has not "complied" with the resolutions of the international Security Council, then they begin to conspire in the offices and corridors of the international Security Council as the permanent delegates of those countries hold "intensive" meetings with the other members of the Council to "formulate" a new hostile stand against Iraq. There have been media appearances and statements prior to the international Security Council's next bimonthly meeting, indicating that they have reached a draft resolution that they will present regularly and speedily, once it is fully ready. So the Council recently adopted its hostile resolution to continue the economic sanctions against Iraq, without allowing any just voice to ask about the extent of Iraq's implementation of the international Security Council's resolutions, and what is actually required of it to lift the sanctions, besides the publicly announced matters.

Shortfall in Needed Seeds for Farming Estimated at 40 Percent

94LH0005B Baghdad BABIL in Arabic 21 Nov 93 p 8

[Text] The task of providing crop seeds is considered one of the most important tasks undertaken by the Ministry of Agriculture, supplying them for the coming winter growing season.

Because of the circumstances of the sanctions, Iraq has a 40 percent shortfall in its need for certified seeds, that is, seeds suitable for planting.

The use of non-certified seeds prepared by specialists is a process with uncertain results. Last year the validity of this view was proved, when the Agriculture Ministry made use of seeds from the Commerce Ministry and distributed them to peasants.

The director-general of the General Iraqi Company for Seed Production explained that there were ongoing operations to sort through, examine, and certify the seeds. Wheat seeds were found to be a minimum of 96 percent pure, and a maximum of 99 percent pure. The certification process was supervised to the end, as was the process of distributing them to the peasants.

On another front, preparations are now underway for the receiving of rice seeds from the company's laboratories in Ghammas and Nahr Sa'd. The General Iraqi Company for Seed Production has defined standards for this purpose, and the peasants were informed of them, as well as of the fixed prices.

The same company is currently preparing vegetable seeds, for tomatoes and cucumbers for distribution to peasants so they can sow them in the winter season with protected and covered crops. They are to monitor local tomato seeds in special fields for the production of seeds with facilities provided by the company. The company has also contracted with a group of field owners in the Euphrates region for the production of onion seeds, and they will monitor and supervise the fields.

For their part, the peasants question the rise of seed prices in general, particularly for vegetable seeds. They have asked many times for permission to keep some of the wheat, barley, and other seeds to be sowing-seeds the following season, especially as the law of the land forbids that!

The Ministry of Agriculture, for its part, came up with many plans and programs to make the winter growing season successful, to correct mistakes made last year, to seek privatization for agriculture in the future, and to encourage peasants to produce the harvest itself.

There is another view, according to which the government's increased purchase prices for some cash crops is a factor in encouraging peasants to produce those cash crops that ordinarily are not suitable for cultivation in their lands.

Marsh Inhabitants Said Expressing Their Loyalty to Saddam

94LH0008A Baghdad BABIL in Arabic 17 Nov 93 p 2

[Text] Correspondents from international and Arab wire services, newspapers, and television networks based in Baghdad have visited the marsh region in Maysan governorate.

Correspondents from Reuter, Agence France-Presse, the XINHUA Chinese news agency, Reuter [sic], the

Spanish press agency, the WTN television network, and periodicals such as SAWT AL-SHA'B [VOICE OF THE PEOPLE], AL-DUSTUR, AL-SHAYHAN of Jordan, a representative of the Iraqi Press Agency, and an Associated Press photographer, came to view the conditions of citizens residing in the al-Huwayzah marshes in the governorates.

The marsh inhabitants expressed, in chants and songs, their love and loyalty to the wise leadership of President Saddam Husayn, and their gratitude for his glorious guidance, in order to achieve the finest free and honorable way of life.

They asserted their absolute readiness to defend great Iraq and the unity of his citizens, and to thwart all the imperialist and Zionist plots aimed at harming the unity of the citizens of Iraq, their present and their future.

They condemned the criminal sanctions imposed by the forces of evil and hostility on the heroic citizens of Iraq, which violated all divine and human standards and laws.

The representative of the Iraqi Press Agency said that the marsh inhabitants made clear to the reporters their opposition to the continued acts of provocation committed by certain infiltrators from Iran to commit acts of aggression and interference against them. They asked that their voices be heard by world public opinion when they sought a halt to the course pursued by the rulers of Iran, their violation of good neighborly relations, and their infringement on the freedom of others. They called upon the Iranians to cease these practices, which are blatant aggression against defenseless citizens.

They also demanded the exposure of the fraud and false claims of the hostile media, which are aimed at fracturing the unity of the Iraqis and creating dissension among them. They reaffirmed that their living conditions are normal, stable, and safe.

OMAN

Official Interviewed on Petroleum Minister's Tour

94AE0058A London AL-HAYAH in Arabic 29 Dec 93
p 9

[Interview with Salim Bin-Muhammad Sha'ban, deputy petroleum minister, by Husayn 'Abd-al-Ghani; place and date not given]

[Text] Muscat—The deputy petroleum minister in Oman and chairman of the Board of Directors of the Oman Oil Development Company, Salim Bin-Muhammad Sha'ban, said that the tour now being undertaken by Petroleum and Minerals Minister Sa'id Bin-Ahmad al-Shanfari is intended to persuade non-OPEC producers to respond positively to the initiative undertaken by the Gulf Cooperation Council [GCC] summit to stop the decline in oil prices. The Omani oil official added, in an interview with AL-HAYAH, that the tour is intended to urge both OPEC and non-OPEC producers to reduce their output, absorb the surplus oil

supply, and reduce the international output ceiling by about 1.3 million b/d [barrels per day].

The following is the text of the interview:

[Abd-al-Ghani] The Omani petroleum and minerals minister has begun a tour to implement an initiative supported by the summit of the GCC countries. Do you believe that the Gulf summit's declaration of its readiness to lower the GCC countries' oil output will bolster the chances that the Omani initiative will succeed in persuading non-OPEC producers to lower their output to improve collapsing prices?

[Sha'ban] Petroleum and Minerals Minister Sa'id Bin-Ahmad al-Shanfari is undertaking a tour to several non-OPEC oil producing countries within the context of the decisions arising from the GCC summit to salvage and stop the fall of oil prices.

As is known, the GCC countries, like most other oil producers, depend entirely on oil revenues. Any drop in prices has an extreme effect on their development plans, revenue, and earnings.

Therefore, the kings and heads of state of the GCC countries decided to invigorate the initiative to lower output undertaken by the sultanate, which had previously announced a five-percent drop in its output beginning in January 1994, in the hope that it would be emulated by producers inside and outside OPEC. Minister al-Shanfari's tour can be viewed primarily in this context. It is intended to urge the countries he is visiting to help stop the decline in oil prices and to consequently bring the OPEC countries themselves to take a similar position.

[Abd-al-Ghani] Is the Omani and Gulf initiative aiming for a specific output reduction with respect to a single country or all producer countries?

[Sha'ban] There is no specific target, although the sultanate does have a specific view regarding a maximum drop in output. The sultanate hopes that the initiative will result in a reduction in output amounting to 1 million b/d or 1.3 million b/d.

[Abd-al-Ghani] Some believe that the condition laid down by the GCC summit for carrying out its initiative is unrealistic or unfeasible because this has not happened in the past and because the North Sea oil producers (Britain and Norway) refuse to reduce their output or cooperate with OPEC. Do you agree with this view?

[Sha'ban] I do not believe that this condition is unfeasible. The GCC summit is aware, as are others, that some producers that are benefiting from low prices have no interest in prices rising again and are unwilling to cut their output. The GCC countries know that, when they stipulated that producer countries reduce [their output] by specific quotas, the summit did not have in mind, in its decision, countries which have no interest in prices not rising. In calling upon all producer countries to reduce their output, the summit had in mind countries

that share the Gulf countries' interest in joining together to salvage prices and the market.

[Abd-al-Ghani] Do you believe that the Kingdom of Saudi Arabia and the other GCC countries will join the sultanate in lowering output if most of the producer countries agree to reduce their output?

[Sha'ban] First, the non-OPEC producers need to be consulted. Minister al-Shanfari's tour is a basic part of this consultation, inasmuch as it will include Yemen, Egypt, Syria, Russia, and even Norway and Britain. Contacts are also being held with a view toward non-OPEC ministers holding contacts with several non-OPEC oil producer countries to cover the base of non-OPEC producers. After that, we expect that there will be a good, positive response. After the results are sorted—and every event is subject to discussion—a decision will be made on a reduction in OPEC's output and the rate of the reduction. I believe that a general, positive tendency exists among all producer countries to cut output and improve prices.

[Abd-al-Ghani] You said that the initiative aims to reduce the international oil supply surplus by about 1.3 million b/d. Is there a deadline for achieving this target, such as by late winter or early fall 1994?

[Sha'ban] I believe that if we obtain a positive outcome, we can leave the setting of a date or the timing of an announcement to cut output to the relevant parties. They will engineer the timing, declaration, effective date, and implementation of this policy.

[Abd-al-Ghani] Were the GCC countries led to support the Omani initiative by the economic difficulties and hardships they are experiencing because of the drop in oil prices?

[Sha'ban] Without labelling, the GCC countries no doubt rely greatly on oil revenues, as do all producer countries, especially the developing countries among them. All of them share an interest in improving oil prices, because oil revenues finance their development plans. All of the GCC countries rely on oil revenues to finance all of their development programs and to meet their financial obligations. The drop in prices is having an adverse effect on these countries' economies. The GCC countries are not the only ones suffering from this problem and these hardships. But some of the GCC countries are perhaps more able and prepared than other oil producing countries inside and outside OPEC to endure and cope with this oil crisis, regardless of its intensity.

[Abd-al-Ghani] Will there be a meeting of the oil ministers or deputy oil ministers of the GCC countries after Minister al-Shanfari's current tour?

[Sha'ban] I can say that there will be a meeting. I do not know at what level it will be. However, coordination and contacts among the GCC countries are certainly ongoing. And the GCC countries will be evaluating the results of the tour and the OPEC countries' position.

[Abd-al-Ghani] There have been recurring reports that Oman may call for meetings between OPEC producers and non-OPEC producers in the IPEC [Independent Petroleum Exporting Countries] group to study the position of the oil market after Minister al-Shanfari's tour. Are these reports correct?

[Sha'ban] I cannot rule out such a possibility, but I cannot confirm it. It will depend greatly on the results of the tour. Thus, this subject could be studied by Oman together with its brothers in the GCC.

[Abd-al-Ghani] When do you expect the initiative to bear results and oil prices to improve?

[Sha'ban] That depends on the producer countries' willingness to lower prices [as published]. No one can predict precisely when prices will improve, because a multiplicity of intermeshed factors underlies the current oil situation. Consequently, an improvement in prices depends on the elimination of all of these causes, or at least some of them.

SAUDI ARABIA

Minister Discusses Communication Expansion Plans

94AE0068B Riyadh AL-DA'WAH in Arabic 9 Dec 93
pp 3-5

[Interview with Dr. 'Alawi Darwish Kayyal, posts, telephones, and telegraph minister, by 'Abd-al-Wahid al-Qadi; date and place not given: "His Excellency Posts, Telephones, and Telegraph Minister to AL-DA'WAH"]

[Text] Program to modernize kingdom's communication network; 10 billion to expand communication network; problem of waiting for telephones will disappear in three years; further expansion of pager and mobile telephone service; portable telephone will be available next year; phenomenon of selling communication services will disappear soon; portable telephone will be scrambled soon; we will provide service shortly to nearly 2,000 villages; phenomenon of sale of communication services is unhealthy; complaints published in papers and magazines are healthy phenomenon, even though some exaggerate problem; expanded portable telephone service will be coded; moving kingdom's communication network from old analogue technology to new digital technology; we pursue all that is new in communication world to introduce from its products whatever befits us; overlapping of lines due to some outdated equipment that has reached end of its operational lifespan; major program to expand communication utility approved by council of ministers recently; Those who do are ones who are criticized, whereas the idle are mentioned by nobody

Recently there has been a lot of talk about the communication services, which have occupied large space in the media, with some criticizing these services and some praising them. Despite the ramified talk about these services, which are numerous and broad, AL-DA'WAH editorial staff decided to address these questions and queries to His Highness Dr. 'Alawi Darwish Kayyal, the

minister of posts, telephones, and telegraph. The undeniable fact is that these questions received the attention of His Excellency, who focused light on them point by point, discussing them frankly and explicitly, as shown by this dialogue.

His Excellency noted that there is a huge program to modernize the kingdom's communication network technology, stressing that portable [al-naqqal] telephone service will be available next year, God willing. His Excellency also pointed out that the problem of the long wait that precedes acquisition of telephone service in some areas will disappear shortly. He also stressed that the ministry is about to expand further the pager and mobile [car, al-sayyar] telephone service. The dialogue has also covered other points.

[al-Qadi] Your Excellency, some authorities have said that there is a plan to develop the kingdom's communication means. How will this be done?

[Kayyal] Yes, there is a program to modernize the kingdom's communication network technology to move this network from what is known as the analogue technology to the digital technology, to which most countries of the world have turned. The new technology opens broad horizons for services that can be rendered by the network, especially high-speed information transmission services. This is the technology that has accompanied the world of computers, which have become a characteristic of the age in which we live. The fact is that this modernization program is a complete and comprehensive program. It includes a network of telephone exchanges in all parts of the kingdom, a microwave network, an underground cable network, and a satellite network, as well as all the subsidiary systems and networks connected with these four networks.

Communication Expansion

[al-Qadi] Tell us, Your Excellency, about the ministry's plan to expand telephone service and about future telephone projects, their costs, and number of lines. When will they begin, and when will they end?

[Kayyal] Communications play an influential and effective role in our modern life. Hardly anybody can dispense with communications in one form or another. Rather, communications have become a mainstay of national security, economic development, and the social contact. This is why the demand for communication services is rising and why the ministry has worked to develop a major program to expand the communications utility in a manner that enables it to meet the citizens' demand for its services. The ministry presented this program to His Majesty King Fahd Bin- 'Abd-al-'Aziz, the custodian of the two holy mosques, who has given it his noble patronage. The plan has also been approved by the Council of Ministers.

The size of this expansion amounts to nearly one-half million lines, and there is a strong possibility that this number will be doubled. This program will make up for the deficit in urban and rural telephone lines. It will also

secure the service to nearly 2,000 new villages. This expansion will coincide with the program to modernize all components of the existing networks—a program to which I referred in the preceding answer. It is expected that the costs of both programs will amount to 10 billion Saudi riyals.

God willing, this program will start in 1415 of the Hegira [1994] and it will be completed within five years. But it will start producing fruits in the second year of the project, i.e., in 1416 of the Hegira [1995].

Posts

[al-Qadi] What is new in postal services, and what are their future projects?

[Kayyal] The postal service has the government's attention because it is an important service sector. This is why the government supplies it with the requirements it needs to perform its role. We in the ministry pursue whatever is new in the postal service world to ensure the continued improvement of our postal service. This is being accomplished by establishing in the various parts of the kingdom postal centers equipped with modern postal automation equipment, such as sorting, binding, and filling equipment. After building the three main postal complexes in Riyadh, Jeddah, and Ad-Dammam—which are the main terminals for mail—we proceeded to build similar complexes, but on a smaller scale, in the venerable Mecca, the luminous Medina, At-Ta'if, al-Qasim, and Tabuk. Postal service premises are being now constructed in nine other cities. We will proceed along this path gradually until all parts of the kingdom are included.

[al-Qadi] What is the mail volume received in the kingdom? Are all letters sorted automatically; and what is the letter loss percentage, if any?

[Kayyal] In 1413 of the Hegira [1992], the postal service handled nearly 680 million postal items, including 375 million outgoing items and 305 million incoming items.

Nearly 60 percent of the mail is sorted automatically. The rest is sorted by hand, because it consists of printed materials, newspapers, and magazines that have dimensions that don't fit into the automatic sorting machines.

The loss rate is extremely low, almost nonexistent. If loss exists, then it is in the single figures, and it amounts to no percentage when compared to the mail volume.

[al-Qadi] Many people complain of the difficulty of acquiring a post office box. Why has this problem not been solved?

[Kayyal] Post office boxes are available and located in quarters, but not in streets. We are eager to spread them so they will be available to every user in the place he wants them to be.

Long Waits for Telephones

[al-Qadi] When, in the opinion of His Excellency the minister, will the long wait to get a telephone line end?

[Kayyal] God willing, the wait problem in major cities will be solved in two phases: the first during the second half of this year and during next year through the urgent expansion program being implemented currently. The second will begin in 1416 of the Hegira [1995] through the approved expansion program to which I referred in a previous answer. This means that the wait problem will disappear, God willing, within three years. Here I would like to point out to my brother citizens that it is not as easy as some people imagine to provide the service. Lots of money is spent, silent efforts are exerted, and much time is consumed to provide the service to a certain area, beginning with the building for every telephone exchange and the external network boxes, which extend to every street and reach every home through trenches dug into the ground, and ending with the means that link an exchange to the network and to other exchanges within the same city, with exchanges in other cities, and then with foreign exchanges. The time needed to do all this is estimated at three to four years.

Pager and Mobile Telephone

[al-Qadi] What is new regarding the pager and mobile [car] telephone service? Will they undergo future expansion?

[Kayyal] Yes, they will undergo future expansion. A contract has been concluded to expand the general wireless calling (pager) network. This expansion will produce fruits at the beginning of next year, God willing. A contract will also be concluded within six months to expand the mobile [car] telephone network capacity greatly.

Portable Telephone

[al-Qadi] Is there a plan to introduce other services similar to the pager service, such as the portable [al-naqqal] telephone service, for example?

[Kayyal] I have said in a previous answer that the ministry seeks to pursue whatever is new in the communications world in order to introduce any of this world's new products that befit us. Portable telephone service will become available by the end of next year, God willing.

[al-Qadi] How does Your Excellency view the phenomenon of the sale and purchase of communication services?

[Kayyal] I see it as unhealthy. However, it is a product of the imbalance between service supply and demand. Rest assured that this problem will disappear shortly, when the new capabilities about which I have talked are made available.

Overlapping of Lines

[al-Qadi] Some people complain of the overlapping and jamming of lines when calls are made. What is Your Excellency's opinion?

[Kayyal] The ministry is aware of this problem, and it is exerting maximum efforts and using all the resources it

can to eliminate or reduce this problem. It hopes that the problem will disappear completely when the modernization and expansion programs to which I have referred previously are completed.

This problem is due to some outdated equipment in the communication network. This equipment has reached the end of its operational lifespan; part of it has been in operation for more than 20 years and needs to be replaced. The problem is also due to the extreme pressure experienced by the network as a result of the ever-growing use of this network.

Complaints

[al-Qadi] How does Your Excellency view the complaints published in the press about communication services?

[Kayyal] I see them as a healthy phenomenon, even though some people exaggerate the matter and some superficialize it. One finds people who say that the service standard has deteriorated to a level that makes it impossible for one to make any call. Is this true? One finds others who say that all that is needed to solve the problem is to get a small part from some country and all that it takes to get this part is the signature of an individual who does not report to his work. This is a form of superficiality that is devoid of the simplest rules of logic.

We at the Ministry of Posts, Telephones, and Telegraph do not deny that there are some negatives. But these negatives amount to nothing when compared with the positives. If it were not for the positives in work, any work, nobody would mention the negatives. Anyway, it is a human tendency to talk about the negatives. Those who do are the ones who get criticized. Those who do not do are mentioned by nobody.

[al-Qadi] There are some base-minded people who eavesdrop on mobile [car] telephone conversations. What has the ministry done about this phenomenon and about protecting conversations?

[Kayyal] The current mobile [car] telephone system will be scrambled in the near future, and then the base-minded will not be able to engage in their disgraceful curiosity. Moreover, the expanded mobile telephone system will be totally scrambled.

Consultative Council Committees' Members Named

94AE0068A Jeddah 'UKAZ in Arabic 6 Jan 94 p 5

[Article by 'Abdallah al-'Urayfij, Muhammad al-Sahli, and 'Abd-al-Rahman al-Nawwash: "Consultative Council Committees Formed and Their Members Nominated"]

[Text] Riyadh—The Consultative Council has continued its ordinary sessions, and council committees have been formed and their members named. Selections for each committee were as follows:

Educational, Cultural, and Information Affairs Committee

Dr. 'Abd-al-Rahman Ibn al-Tayyib al-Ansari (committee chairman). Dr. Fahd al-'Arabi al-Harithi (deputy chairman). Dr. Rida Ibn Muhammad 'Ubayd (member). Dr. Sa'id Ibn Muhammad al-Mulays (member). Dr. Salih Ibn Sa'ud al-'Ali (member). Dr. 'Abd-al-Rahman Ibn Salih al-Shubayli (member). Dr. 'Ali Ibn Ibrahim al-Namlah (member). Dr. Muhammad Ibn Ibrahim al-Jarallah (member). Dr. Muhammad al-Ahmad al-Rushayd (member). Muhammad Ibn 'Abdallah al-Humayd (member). Dr. Mansur Ibn Ibrahim al-Hazimi (member).

Social and Health Affairs Committee

Ahmad Ibn Hamad al-Yahya (committee chairman). Dr. Fali Ibn Zayd al-Fatih (deputy chairman). Dr. Zuhayr Ibn Ahmad al-Siba'i (member). Dr. Salih Ibn 'Abdallah al-Malik (member). 'Abd-al-Rahman Ibn 'Abdallah Aba-al-Khayl (member). 'Abdallah Ibn Hamad al-Qar'awi (member). Dr. Mansur Ibn Muhammad al-Nuzhah (member).

Foreign Affairs Committee

Dr. Nizar 'Ubayd Madani (committee chairman). Dr. Muhammad 'Abd-al-'Aziz al-Mu'ammam (deputy chairman). Sulayman Ibn 'Abd-al-Rahman al-Salih (member). 'Abd-al-Rahman Ibn 'Abdallah Aba-al-Khayl (member). Dr. 'Abd-al-'Aziz Ibn Ibrahim al-Fayiz (member). Dr. 'Abdallah Ibn 'Abd-al-Muhsin al-Sultan (member). Dr. Hashim 'Abdu Hashim (member).

Security Affairs Committee

Retired Lieutenant General Ibrahim Ibn Muhammad al-Faris (committee chairman). Retired Major General Jamil Muhammad al-Miman (deputy chairman). Dr. Ahmad Ibn Sayr Mubarak (member). Major General 'Abd-al-'Aziz Ibn Muhammad Al al-Shaykh (member). Dr. 'Abdallah Ibn 'Abd-al-Muhsin al-Sultan (member). Retired Major General Kamal Ibn Siraj-al-Din al-Mirghalani (member). Dr. Nizar 'Ubayd Madani (member).

Rules and Administration Committee

Dr. 'Abd-al-'Aziz Ibn 'Ali al-Nu'aym (committee chairman). Dr. Ziyad Ibn 'Abd-al-Rahman al-Sudayri (deputy chairman). Ibrahim Ibn Qadahi al-Qadahi (member). Ahmad Ibn Hamad al-Yahya (member). Shaykh Salih Ibn 'Abdallah Ibn Humayd (member). Muhammad Ibn 'Abdallah al-Nafi' (member).

Islamic Affairs Committee

Dr. Hamad Ibn Muhammad al-Faryan [or al-Furayyan] (committee chairman). Dr. Ahmad Ibn Sayr Mubarak (deputy chairman). Ibrahim Ibn 'Abd-al-Fattah Julaydan (member). Dr. Usamah Ibn 'Abdallah Khayyat (member). Dr. Zahir Ibn 'Awwad al-Alma'i (member). Dr. Salih Ibn Zayn al-'Abidin al-Shaybi (member). Al-Shaykh Salih Ibn 'Abd-al-Rahman al-Mazru' (member). Al-Shaykh Salih Ibn 'Abdallah Ibn Hamid (member). Dr.

'Abd-al-Rahman Ibn al-Tayyib al-Ansari (member). Dr. 'Ali Ibn Ibrahim al-Namlah (member). Al-Shaykh Muhammad Ibn 'Abdallah al-Salim (member).

Economic and Financial Affairs Committee

Khalid Ibn Muhammad al-Qusaybi (committee chairman). Tawfiq Ibn Ibrahim Tawfiq (deputy chairman). Bakri Ibn Salih Shata (member). Dr. Jamil Ibn 'Abdallah al-Jashi (member). Dr. Ziyad Ibn 'Abd-al-Rahman al-Sudayri (member). Dr. 'Abd-al-Rahman Ibn Ahmad al-Ja'fari (member). Dr. 'Abd-al-'Aziz Ibn Ibrahim al-Fayiz (member). Dr. Ali Ibn Talal al-Jahni (member). 'Abd-al-Latif Ibn Hamad al-Jabr (member). Muhammad Ibn Ahmad Zaynal (member). Muhammad Ibn 'Abdallah al-Sharif (member).

Public Services and Utilities Committee

Dr. Faysal Ibn Ahmad Zaydan (committee chairman). 'Umran Ibn Muhammad al-'Umran (deputy chairman). Engineer Zuhayr Ibn Hamid Fayiz (member). Dr. Suhayl Ibn Hasan Qadi (member). Engineer 'Abd-al-Qadir Ibn Hamzah Kawshak (member). 'Abd-al-'Aziz Ibn Muhammad Abu-Milhah (member). 'Abdallah Ibn Muhammad al-Ghulayqah (member). Muhammad Ibn 'Abdallah al-Sharif (member).

On the occasion of the formation of the Consultative Council committees and the nomination of their members, committee chairmen expressed their thanks and appreciation to the members for their confidence in them and for selecting them as chairmen.

In this regard, Dr. 'Abd-al-Rahman al-Ansari, the Education, Culture, and Information Committee chairman, has said in a statement to 'UKAZ that the committee will discuss whatever pertains to education, culture, and information and to the rules connected with these areas. It will also discuss whatever issues the council refers to it for study and for an opinion. The committee is scheduled to hold its meetings every Monday morning.

Dr. 'Ali al-Namlah, an Education, Culture, and Information Committee member, has expressed his great happiness at becoming a member of this committee, which studies and examines issues pertaining to several important areas, namely education, culture, and information—areas concerned with developing the citizen and enhancing his skills and intellectual capacities.

On his part, retired Lt. Gen. Ibrahim al-Faris, the Security Affairs Committee chairman, has expressed in a statement to 'UKAZ his pride in the confidence shown in him through his selection to the committee chairmanship. He has said, "First of all, I thank God, may He be praised and exalted, for the help and success He has given me. I then thank the custodian of the two holy mosques for the noble and precious confidence he has shown in me by selecting me to be a council member. I also thank His Excellency [Council] President al-Shaykh Muhammad Ibn Jubayr and all my colleagues the council members for their confidence and good opinion of me." Al-Faris pointed out that the Security Affairs Committee will concern itself with whatever touches on

the security and military sector generally and that it will study all issues and matters referred to it by the council president. He also noted that the committee will examine the rules and proposals connected with the security and military sectors.

In a statement to 'UKAZ, Ahmad al-Yahya, the Health and Social Affairs Committee chairman, has also expressed his pride in the confidence his colleagues the council members showed in him by selecting him committee chairman. Al-Yahya emphasized that he will coordinate firmly with the committee members to produce the fruits for which the council aspires from this committee. He said that the committee will tend social issues, such as social security and welfare, and labor and workers' affairs, in addition to environmental issues and to whatever is connected with health, plus whatever other issues are entrusted to this committee. He added that the committee will meet every Sunday.

REPUBLIC OF YEMEN

Al-Zandani's Past, Future Relationships Analyzed
94LD0004C London AL-HAYAH in Arabic 23 Oct 93
p 2

[Article by Jamal Khashuqi: "Yemen: 'Abd-al-Majid al-Zandani, an 'Afghan' in Decision Making Positions"]

[Text] After President 'Ali 'Abdallah Salih and the other members of the Presidential Council swore the constitutional oath, came the turn of new council member Shaykh 'Abd-al-Majid al-Zandani. He rose with his impressive stature in traditional Yemeni costume and stood out from the others by his thick, hennaed beard. Putting his right hand on the Koran, he said: "I swear by Almighty God that I will maintain the Book and the Sunnah, and that I will maintain the republican system." Before he could continue the oath, voices of surprise and even disapproval rose from the benches of Parliament; for the shaykh had not adhered to the constitutional text, but had added the clause, "maintain the Book and the Sunnah." However, he continued reciting the oath, disregarding the shouts and mumbling. His tone of voice changed. He began to emphasize the words, as if defying the objecting deputies: "And I will respect the Constitution and the law in what does not violate the Book of God and the Sunnah of His Messenger." And, "I will tend the interests of the people and maintain the unity, independence, and territorial integrity of the country to the best of my ability." This behavior came as no surprise. The shaykh is known for his strong and vehement positions that have moved him throughout his long political life to disagree not only with the government, but with others in the Islamic ranks. He is famous for following a policy of brinkmanship. Thus far, he has succeeded with it.

The opposite of what happened would have surprised us more. In 1991, the shaykh almost halted the reunification process when, under the slogan of "constitutional change before unification," he led hundreds of thousands of Yemenis in the largest demonstration that

modern Yemen had ever witnessed. Although unification was a popular demand, the shaykh's popularity and speaking ability helped him stand in the way of unification and its constitution without losing his broad popular base. The Constitution and unity survived, but the Yemeni Presidential Council, which at the time was composed of the [General] People's Congress and the Socialist [Party], appended a clause stipulating that Islamic shari'ah was superior to the provisions of the Constitution.

The battle of the Constitution has not been the only one in the shaykh's life. His Presidential Council appointment, which received support in advance from all parties, came as a sign of the extent to which positions in Yemen have changed. Yesterday's enemies are today's allies. The many lines of contact among the three main political parties prevent any analyst from drawing easy inferences, however logical they may seem. However, al-Zandani's election will not be the end of the road for the main leader of Yemen's Islamic movement, who began his political life with "the free Yemenis" (*Ahrar al-Yaman*) in Cairo. The project of an Islamic state is the movement's goal, although it does not say so explicitly, contenting itself with allusive language about an "Islamic society" and an "Islamic constitution." One recalls that Hasan al-Banna, the founder of the Muslim Brotherhood, chose the land of Yemen as a model land for his dream. He might have succeeded in the matter, had it not been for the English presence and the Arab League.

Yemen's Islamic movement has learned much from its accumulated experiences, which began with the 1948 revolution, when a Hashimite nominee for the imamate, 'Abdallah ibn al-Wazir, attempted to take over the government by force and implement a reform program with the assistance of the Muslim Brotherhood. The latter had no Yemeni organizations at the time, but were represented by an Algerian adventurer named al-Fadil al-Wartani. The movement failed, having established in Yemen a bad precedent of change by violence and bloodshed.

The present-day movement traces its ancestry to the former in some of its reform ideas and is linked to it by the historic figure of "Abu al-Ahrar" (Judge Muhammad al-Zubayri). However, it became separated from it in name after the inheritance of their grandfather's movement was left to the al-Wazir family. The new movement, which will soon be able to celebrate the fortieth anniversary of its founding, was characterized by its having been started by Yemeni youths who formed the first nucleus of the Muslim Brotherhood. However, they never surfaced publicly with their organization, but preferred to take cover in the shadow of powerful figures, foremost among them Judge al-Zubayri.

These young people were active in Yemeni expatriate communities in the fifties, especially in Egypt, where they became disciples of the Muslim Brotherhood's first generation and carried their ideas to imamist Sanaa with

returning students. Shaykh 'Abd-al-Majid ibn 'Aziz al-Zandani was one of the latter. He taught pharmacy in the fifties in Cairo (he was slightly over twenty years old), where he arrived after spending several months in Aden. "British" Aden at the time was teeming with trade and liberal ideas, unlike the conservative imamist north, where the shaykh spent the first two decades of his life in the Ba'dan district of Ibb governorate, about 170 km south of the capital. His father had left his native village of Zandan, which is affiliated with the Arhab tribes, when the shaykh was still a baby.

Thus he spent his childhood in Ba'dan, a Shafi'i agricultural area, away from the Zaydi tribal milieu to which his tribe of Arhab belonged. Arhab is a division of the mother tribe Bakil, the traditional rival of the Hashid tribe, which has strong influence in Yemen today and is headed by Shaykh 'Abdallah ibn Husayn al-Ahmar, speaker of the House of Representatives and leader of the Yemeni Grouping for Reform, to which Shaykh al-Zandani belongs politically.

It is difficult to assign the shaykh to any particular school of Islamic law, although he is a jurist expert in the [different] schools and their rulings. He prefers to classify himself as a follower of the Book and the Sunnah. His opponents accuse him of "Salafiyah" and of prejudice against Yemen's majority Zaydi legal school. The shaykh has never hidden his severity against "doctrinal deviations" in the criticisms he has voiced in his lectures. These are recorded on dozens of cassette tapes distributed not only in Yemen, but among young people of the "awakening" in various Arab countries. Thus it appears that the majority have accepted his view as a "reformer."

Shaykh al-Zandani spent a number of years in Egypt. He never finished his pharmacy course, since politics turned his attention away from it, but his studies were sufficient to strengthen his interest in religious subjects. He pressed on to become a leading expert on the scientific inimitability of the Koran. He founded a group concerned with the subject within the Islamic World League in Mecca. The group held conferences and published books. In Cairo, the shaykh chose the path of the Muslim Brotherhood, which he still continues to follow. With this goes a populist dimension that makes him resemble the Algerian leader Abassi Madani. This has led several times to his removal "by mutual agreement" from the organization, since the Muslim Brotherhood has another golden rule that goes, "The individual can accommodate what the group cannot." Some historians make al-Zandani the founder of the movement in the north. This is unwritten oral history, for the Muslim Brothers of Yemen have not yet written their history. Everyone, however, agrees that he was one of the founders, though he assumed leadership officially only briefly between 1971 and 1975. The shaykh, and the Brotherhood with him, preferred to work in the framework of broader organizations or agencies. When the 1962 revolution took place, they supported it and went along with it energetically; but they rallied around Judge al-Zubayri, a

symbol on which Yemenis agreed, particularly since they were confident of their relation with him, having been fellow students in Cairo. Al-Zandani became al-Zubayri's assistant and lieutenant during years that were decisive in Yemen's history. He prepared a special program over Sanaa radio entitled "The Revolution and Religion." In it he dealt with a sensitive subject to Yemeni consciousness: for although the ruling imam had been a tyrant, he continued to hold a legitimate claim for many Yemenis, especially for the majority Zaydis.

The position of al-Zubayri, and with him the youths of the Muslim Brotherhood, was idealistic and too hard for anyone to accept. Historically, they were against the imamate, but they also opposed the Egyptian intervention and military rule; so they aroused hostility to themselves among republicans and monarchists, or at least among leaders in both camps. Al-Zubayri, and al-Zandani with him, were forced to leave Sanaa, which was no longer safe. They sought refuge or became active in the tribal areas. Naturally, they chose their own tribe of Arhab, to which al-Zubayri, like al-Zandani, belonged. In 1964, they founded Hizballah. Al-Zubayri began to expose in his powerful poetry the corruption of the Yemeni revolution and its failure to realize the people's hopes. Both men called for the Egyptians to leave. However, the movement ended with the assassination of its founder, Judge al-Zubayri, who fell victim to an intertribal clash. Some accused Amir Muhammad ibn al-Husayn of arranging the assassination; others accused generals in Sanaa, and suspicions also hung over the Egyptians.

As civil war continued, the Muslim Brothers stepped aside because they were too weak to influence events in the absence of al-Zubayri. After the 1967 defeat, calm returned to a Yemen racked by the woes of war and the Egyptian army. Judge 'Abd-al-Rahman al-Iryani took power on 5 November. The Muslim Brothers seized the opportunity and began building their organization in absolute secrecy. They made efforts to dominate education, entered the army and police, and reached sensitive positions the effects of which they are still reaping.

The main role in this organized activity fell again to the Muslim Brotherhood's two real founders in Yemen as a whole. The first of these was the southerner 'Umar Salim (Tarmum), who migrated to the north after the Socialists took power in his country. He fell out with the movement in 1982 and was marginalized until he died in isolation last year. The second was Yasin 'Abd-al-'Aziz (al-Qabati), the organization's present leader. However, al-Zandani, with his powerful, popular personality, emerged anew to be appointed general overseer of the Brotherhood in 1971. The shaykh once again sought out religious scholars. The Brotherhood founded a scholarly organization as a grouping of religious scholars. It was headed by a well-known judge, Ahmad Salamah. Al-Zandani remained in the leadership of the Brotherhood, whose existence no one acknowledged. The shaykh became active again as a political opponent of al-Iryani. This was something that the Brotherhood could not

tolerate, as it needed good relations with the government. Al-Zandani was therefore removed from the leadership (Yasin 'Abd-al-'Aziz took his place) and returned to working behind the scenes—this time in the Ba'dan area where he had grown up.

A second, peaceful coup then took place. Lieutenant Colonel Ibrahim al-Hamdi, who took power, extended the hand of peace to the Islamic movement and allowed the establishment of an office of direction and guidance, headed by al-Zandani.

During the period of bloody coups, with the murder of al-Hamdi and of (al-Ghashmi) and the coming to power of President 'Ali 'Abdallah Salih, the situation in the north was unfavorable, especially with the increasing influence of the National Front, a leftist opposition movement armed by "comrades" in the south. The front almost created a state for itself inside Yemen in the Khubban region, which it made its base and whence it began expanding, with Sanaa, naturally, as its goal.

The undeclared Yemeni civil war began in the late seventies. President 'Ali 'Abdallah Salih untied the hands of the Muslim Brotherhood in the confrontation. They declared a jihad and embarked on a real war against the communists. Yemenis still have a legacy of heroic songs and stories they tell about the battles.

The reward consisted of 370 Brotherhood-run institutions throughout Yemen with an independent budget and permission for Muslim Brothers to infiltrate education, the army, and the police. They participated strongly in drafting the national covenant, an Islamic constitution that was never implemented. After these gains, al-Zandani again left the scene in a voluntary emigration lasting about 10 years. There are two versions of why he emigrated. The first is that relations between him and the leadership soured, so that it became necessary for him to leave. The second is that the movement, no longer able to tolerate the shaykh's fanaticism and the disagreements it caused the movement with government agencies, asked him to leave. He spent most of his years of

emigration in Saudi Arabia, either in Mecca or in Jeddah, where he was active with the Islamic World League. He devoted his attention to the Afghan jihad, becoming one of its proponents. He made long trips to Afghanistan and entered front-line areas with Arab mujahidin, among whom Yemenis formed the second largest group, after Saudis. He became an adviser and mediator acceptable to most of the Afghan leaders. The present Afghan president and his prime minister are considered to be his personal friends.

His appointment to the Presidential Council may have an additional meaning. Yemen's rulers, or at least President 'Ali 'Abdallah Salih, do not have the complex of sensitivity prevalent in many Arab countries to the Islamic movement. In Peshawar, relations between al-Zandani and the Palestinian Shaykh 'Abdallah 'Azzam became strong. When the latter was assassinated in 1989, his disciples and Arab mujahidin followers pressed al-Zandani to succeed him in the leadership. However, events in al-Zandani's country were fermenting again. The Socialists in the south had accepted unification, but had imposed a secular constitution, instead of the north's "Islamic" constitution, which had never been implemented.

After the Gulf Crisis, al-Zandani returned to Yemen by way of Sudan, where he had a friend, Shaykh Hasan al-Turabi, with whom he spent time discussing "the great Islamic concern." Having returned to Yemen with the ideas of the Islamic Front, al-Zandani announced in September the establishment of the Yemeni Grouping for Reform, following an alliance between the Islamic movement and the powerful leader of the Hashid tribe, 'Abdallah al-Ahmar, although the shaykh's name did not appear on the grouping's founding committee.

Al-Zandani confirmed his popular leadership anew at the January 1993 "Unity and Peace" conference, for which he mobilized the various forces supporting him. Then he completed his battle crowned by the constitutional oath-taking.

REGIONAL AFFAIRS

One Hundred to Appear at Court For Economic Sabotage

94LA0048A London AL-SHARQ AL-AWSAT in Arabic
1 Dec 93 p 9

[Unattributed article: "Expectations Are That 100 Persons Will Appear Before Tehran's Courts on Charges of 'Economic Sabotage'"]

[Text] Official sources in Tehran stated yesterday that it is expected that more than 100 persons will soon appear before the revolution courts on charges dealing with "economic sabotage." These persons were arrested during two consecutive arrest campaigns that included the capital city of Tehran as well as six other main cities. At least 50 persons who work in private currency exchange establishments are among those who were arrested by the Revolution Guard.

Informed sources in Tehran mentioned that a number of prominent mullahs [clergymen] may be among those arrested on charges dealing with "misuse of foreign currencies." It has been mentioned that numerous mullahs had established their own private funds, claiming that their purpose was to subsidize the propagation of the ideas of the late Iranian leader Ayatollah Khomeyni in foreign countries. Permission had been given for these funds to maintain accounts in foreign currencies. However, the Iranian Government recently stated that these accounts had been used for purposes of currency speculation and illegal transactions involving the importing of merchandise instead of being used to subsidize Khomeyni movements abroad.

Among the persons arrested was the director of the Foreign Exchange Division of the Bank Tejarat [Commerce], the third-largest government bank in Iran, which administers more than 60 percent of the currency transactions in the private sector. It is believed that two prominent deputies of the above-mentioned director were also arrested. The revolution judge had issued warrants for the arrest of a number of bank officials who work in various foreign capitals. However, it is not yet clear how many of these officials have actually agreed to return to Tehran to appear before the revolution courts.

These arrests are part of an emergency plan established by the Iranian Government for the purpose of putting a stop to the sharp decline in the value of the Iranian rial[R] vis-a-vis the U.S. dollar and other foreign currencies. It should be mentioned that the value of the Iranian rial, at the present time, is only one-thirtieth of what its value was before the mullahs came to power in 1979. Furthermore, Iran's currency has lost about 10 percent of its value during the past three weeks.

One of the reasons for the rapid decline in the value of the Iranian rial is the fact that many Iranian merchants are scrambling to purchase as much foreign merchandise as they can before the coming into effect of the new restrictions on imports at the beginning of next March. Recently long convoys of trucks have been seen heading

south where Iranians can buy foreign goods in the "free-trade areas" on the islands of Kish and Qeshm and in the Bishin [name as transliterated] area near the border with Pakistan. The Iranian Government has permitted each person to purchase \$2,000 worth of goods manufactured abroad, which are exempt from import taxes, provided that the purchase transaction takes place in foreign currency.

However, the Iranian Government has recently undertaken to lower this limit to \$200 and to impose more severe restrictions for the purpose of preventing organized gangs from buying foreign merchandise offered wholesale.

One of the plans being studied by the government at the present time is the imposition of a total ban on numerous imported items, especially electrical and electronic equipment, for a period of at least three years, as a means to alleviate the crisis of the deficit in the balance of payments which Iran is suffering from right now.

Iran needs at least \$18 billion a year to service its foreign debts, which total \$30 billion, to purchase half of the food supplies it needs and to pay for the spare parts and technical equipment it needs to maintain its industries that are now being operated at reduced production capacity. But because of the decline in oil revenues, the nation's total income is not expected to total more than \$13 billion during the next 12 months, according to official estimates.

AFGHANISTAN

Paper Interviews Seyyed Hasan Ruhollah 'Alami

94LA0052A Beirut AL-'AHD in Arabic 26 Nov 93 p 20

[Interview with Seyyed Hasan Ruhollah 'Alami, a member of Hezb-e Wahdat-e Eslami's central committee, by Jihad Salman; place and date not given]

[Text] Seyyed Hasan Ruhollah 'Alami, a member of the central committee of Hezb-e Wahdat-e Eslami [Islamic Unity Party] in Afghanistan, visited Lebanon recently as an envoy of his party. AL-'AHD met with him shortly before he left to return to Afghanistan and spoke with him about key issues in Afghanistan.

[Salman] Can you apprise us of the political climate in Afghanistan since the departure of communist rule?

['Alami] Let me first salute the souls of the martyrs of truth, the martyrs of Lebanon and Afghanistan, and the martyrs of the Islamic world.

After the overthrow of Najibollah's rule and control over Kabul, the mojahedin groups met in Peshawar, Pakistan, which is considered the center of gravity of the mojahedin because of the many Afghan political groups there.

Everyone agreed that Sebghatollah Mojaddedi [faction leader of Jebheh-ye Nejat-e Melli—the National Liberation Front] would be the president of the Islamic Republic of Afghanistan for one month and that Borhanoddin Rabbani would assume the presidency after him

for four months, during which Mr. Rabbani was to prepare the climate for general elections, so that the people could voice their opinion regarding who was to be entrusted with the political program that would determine Afghanistan's future. However, Mr. Rabbani unfortunately did not implement the plan under which he assumed the presidency for an interim period. Instead, he formed a consultative council of influential people, comprising his followers and members of this entourage. And he did so without at least consulting with the mujahedin movements or parties.

That complicated problems and deepened disagreements, ultimately resulting in battles erupting between the Afghan political parties. These parties became divided into two groups. One group, loyal to Rabbani, comprises Jami'at-e Eslami [Islamic Society], Ettehad-e Eslami [Islamic Union] led by 'Abdol Rasul Sayyaf, and Hezb-e Eslami [Islamic Party]—Yunes Khales faction. The latter two are Wahhabi groups.

The other group includes most of the Afghan opposition parties, headed by Hezb-e Wahdat-e Eslami and Hezb-e Eslami—Hekmatyar faction under Golboddin Hekmatyar.

At this point, the Islamic republics in Iran and Pakistan thankfully sent delegations to resolve the problem. They were able to obtain the consent of all of the parties to hold negotiations in Islamabad, Pakistan.

The Islamabad negotiations produced an agreement between all of the political parties in Afghanistan. The agreement stipulated that Rabbani remain president of the country and that Hekmatyar be appointed prime minister.

The agreement was signed in Iran, Pakistan, and Saudi Arabia, each of whom signed official texts of the agreement.

Mr. Rabbani was obligated to set a date for elections after preparing the atmosphere, and the people were supposed to elect representatives in complete freedom to form a state based on these elections.

However, the regime's consultative [council], under the leadership of Ahmad Shah Mas'ud, Jami'at-e Eslami's military commander, and 'Abdol Rasul Sayyaf, the faction leader of Ettehad-e Eslami, did not implement this agreement. They voided it. The war erupted anew, preventing the government from performing its functions in the central capital of Kabul.

[Salman] What are the domestic and regional political circumstances that produced the Islamabad Agreement?

[Alami] As I have said, Mr. Rabbani, who was appointed to be president for an interim period after Mojaddedi's presidency tenure ended, was not committed to readying an appropriate climate for elections. He formed an interim parliament representing his interests and was able to ensure his reappointment as president of the country for two years. This is what most of

the other mujahedin movements—such as Hezb-e Eslami, Hezb-e Wahdat-e Eslami, Harekat-e Watani-ye Eslami [National Islamic Movement], Jebheh-ye Nejat-e Melli, Harekat-e Eslami, and others—objected to. They considered it illegal. Battles erupted in Kabul. Then, delegations arrived from Pakistan and Iran as reconciliation committees. Immediately after the mediations succeeded, former Pakistani Prime Minister Nawaz Sharif called for negotiations in Islamabad. Those negotiations led to the Islamabad agreement, which was signed by all of the mujahedin movements in Afghanistan and by the sponsor countries, Iran, Pakistan, and Saudi Arabia.

Despite the agreement's deficiencies and unfair treatment of Hezb-e Wahdat-e Melli [National Unity Party] and many other parties, we signed it to achieve a reconciliation in Afghanistan.

Regarding the regional factors, it is well known that the efforts of our brothers in the Islamic Republic of Iran and in Pakistan, despite the difficulty of bringing all of the parties together for talks, opened the door to the Islamabad agreement.

[Salman] It is said that the Islamabad agreement is a minimalist agreement. What are Hezb-e Wahdat-e Eslami's observations regarding the agreement?

[Alami] In the matter of the Islamabad agreement, the Pakistanis dealt with the Afghan political reality based on two factions, one headed by Hekmatyar and the other by Rabbani. Regarding this division, we noted that the problem concerns the Afghan people and its representatives in the mujahedin movements, not individuals. Also, what was agreed upon was not honored. Furthermore, the stature and presence of other movements and parties—such as Hezb-e Wahdat-e Eslami and Harekat-e Watani-ye Eslami, which enjoy a strong political, popular, and military position—were disregarded and not taken into account. We agreed to sign, despite this lack of fairness, out of our commitment to our people's interest and the country's supreme interests.

Then, this agreement was an interim agreement. Its duration is coming to an end without the climate having been prepared for elections, as the agreement stipulates.

[Salman] Could you address the obstacles blocking the Constitution Writing Committee that was to be formed under the Islamabad agreement?

[Alami] If elections had been held as agreed in Islamabad, the people would have formed a committee to write a constitution. However, this did not happen. In this regard, Mr. Rabbani, as the person directly responsible for holding elections, should be asked about the reason for the delay.

[Salman] You said that the agreement is an interim agreement whose end has approached. What is the solution in your opinion?

[Alami] Officials of the parties should meet to arrive at a solution agreed to by everyone, determine the destiny

of the people and the country, and stop the bleeding. Hezb-e Wahdat-e Eslami—through its secretary general, Sheykh 'Abdol 'Ali Mazari—has recommended that both Mr. Rabbani and Mr. Hekmatyar resign, and that general presidential and parliamentary elections be held.

[Salman] If this recommendation is not implemented, can the present government, as a government of national unity, be a forum for dialogue that can produce something new for the future?

[Alami] This is possible, because Mr. Hekmatyar and the members of the government meet periodically at Darolaman Palace (the center of the government), from which President Rabbani is absent for reasons unknown.

[Salman] Do Mr. Rabbani's authorities empower him to intervene to block a political measure undertaken by the government regarding a conciliation?

[Alami] The Jalalabad agreements give authorities to Mr. Rabbani and Mr. Hekmatyar. However, due to a lack of cooperation on the part of the president of the republic, there was no opportunity to exercise these authorities.

[Salman] In other words, the authorities given to Mr. Hekmatyar remain inactive.

[Alami] This is because the Jalalabad agreements were not implemented. They laid the foundation for a practical program to implement the Islamabad agreement.

Naturally, Mr. Hekmatyar has not exercised the authorities granted him in the agreements, because the agreements were not implemented, because Mr. Rabbani is blocking them.

It is only natural that political alliances in Kabul with or against Mr. Hekmatyar will affect the exercise of his authorities.

[Salman] Does that mean that political alliances play a role in impeding implementation of the agreements?

[Alami] Somewhat.

[Salman] Do the new ethnic alliances play a negative or positive role in this respect?

[Alami] They have a positive effect in pressing for implementation of the agreement. The ethnic alliance facing Mr. Rabbani comprises more than 70 percent of the Afghan people. Mr. Rabbani cannot rely on this element, which was supportive of change in the past. Perhaps his evasion of implementing the agreements and of holding elections is related to the weakness of his alliances.

[Salman] Does that mean that ethnic balances have resulted in the separation of northern Afghanistan?

[Alami] I find that farfetched, because Mr. Rabbani rejects this matter.

[Salman] In view of all of these givens, in your opinion, what is the most appropriate solution for Afghanistan's political problem?

[Alami] The only solution is for all the parties to sit down at the negotiating table.

[Salman] It is said that Jami'at-e Eslami, under Rabbani's leadership, fears an alliance between Hezb-e Eslami and Hezb-e Wahdat-e Eslami, and it feels that it would be excluded from the game. What guarantees would you and your allies offer if all of the parties sit down at the negotiating table?

[Alami] All guarantees are possible. Hezb-e Wahdat-e Eslami and Hezb-e Eslami are ready to discuss anything, provided that foreign powers bent on destroying the Islamic jihad in Afghanistan and on discrediting the victory it achieved after the termination of communist rule do not interfere.

[Salman] Is Hezb-e Wahdat-e Eslami preparing an initiative or some mediation in this regard?

[Alami] There are initiatives. Jami'at-e Eslami is well aware of this. A number of meetings were held between Hezb-e Wahdat-e Eslami and Jami'at-e Eslami. Then, a central delegation headed by Hezb-e Wahdat-e Eslami Secretary General Sheykh 'Abdol 'Ali Mazari met with Rabbani and Sayyaf.

[Salman] What about Jami'at-e Eslami and Hezb-e Eslami?

[Alami] The relationship between Hezb-e Eslami and Jami'at-e Eslami requires greater trust and better intentions on the part of both parties. I think that the failure to implement the Jalalabad agreements provides an opportunity for the two to sit at the dialogue table. Otherwise, problems are possible.

[Salman] In conclusion, we thank you. Do you have a final remark?

[Alami] I thank AL-'AHD. I wish, through it, to give a salute of respect to the mojahedin of the Islamic resistance in Lebanon and the intifadah in Palestine, because they are proving and confirming God's sublime utterance, "And [they are] never afraid of the reproaches of such as find fault" [Koran 5:57], by standing on the front line in the confrontation with American and Zionist arrogance and fulfilling their divine mission with the utmost pride and honor. We entreat God to grant them victory and show them the right way to the victory of his religion.

INDIA

Parliament Panel Discusses Relations With U.S.

94AS0164A Madras *THE HINDU* in English 18 Dec 93
p 9

[Text] New Delhi, Dec. 17—Apprehending resumption of U.S. military aid to Pakistan, members at today's meeting of the Parliamentary Consultative Committee on External Affairs criticised the proposal to amend the U.S. Foreign Assistance Act.

The meeting focussed on the current state of Indo-U.S. relations and inquired into the reasons which led to postponement of the G-15 summit.

In the absence of the External Affairs Minister, Mr. Dinesh Singh, who was attending the Congress Parliamentary Party meeting, the Consultative Committee meeting was jointly chaired by the two Ministers of State for External Affairs, Mr. R.L. Bhatia and Mr. Salman Khurshid.

Drawing attention to the proposed changes in the Foreign Assistance Act, members felt the legislation will dilute the restrictions on the passage of military and economic aid to Pakistan, currently in force under the Pressler Amendment.

Targeted against Pakistan, the Pressler Amendment pins military aid to Pakistan to a certification by the U.S. President that Islamabad does not possess a nuclear weapon.

The new element in the proposed legislation is that in exceptional circumstances, the U.S. President can exercise discretionary powers to release military and economic aid even to those countries whose non-proliferation record is suspect.

Referring to the proposal, members said that it made India also a potential target of U.S. aid restrictions.

Responding to members' remarks on the nuclear issue, Mr. Bhatia said there would be no change in India's position on non-proliferation as it was based on "sound and fundamental principles." Earlier, members said that though every effort should be made to maintain good relations with the United States, this should not deter India from "frankly" stating its stand on issues including non-proliferation and human rights.

Focussing on the recent remarks of the U.S. official, Ms. Robin Raphael, questioning Kashmir's accession to India, members felt that there was a shift in U.S. policy on India. The change was particularly pronounced on the Kashmir question, they felt.

Rejecting the U.S. position that Kashmir was a "disputed territory," members emphasised that "the legal situation was that the dispute on Kashmir related to Pakistan Occupied Kashmir, which was Indian territory illegally occupied by Pakistan."

Simla Accord relevant: Countering Ms. Raphael's reference to Simla Accord as a "non-functional," Mr. Bhatia said the relevance of the agreement was evident for it had been instrumental in maintaining peace for more than 20 years. India continued to stand by it, he asserted. Mr. Bhatia made these remarks in the wake of the "surprise" expressed by members at Ms. Raphael's statement.

Denying allegations of the Indian security forces poor observance of human rights. Mr. Bhatia drew attention to the Bill introduced in Parliament to form a Human Rights Commission.

Referring to Washington's decision not to declare Pakistan a terrorist State, Mr. Bhatia said the United States had not taken "the final step for its own reasons." All requisite evidence that India possessed had been passed on to the United States, he said.

Focussing on Pakistan's abetment of terrorism and admission by Islamabad that it had a nuclear weapon programme, members said they found it difficult to comprehend why despite the admission the United States chose to impose pressure on India.

On the postponement of the G-15 summit on account of lack of quorum, Mr. Salman Khurshid cited "unfortunate set of coincidences, relating to domestic compulsions of different kinds," which had kept a large number of heads away. Heads from 11 countries had confirmed participation till December 4, Mr. Khurshid said.

According to a member, it was admitted that Rs. 6 crores had been spent on the preparations for the summit. Citing changes in the global environment, a member questioned the relevance of G-15 in the wake of the emergence of trade blocs such as NAFTA [North American Free Trade Agreement] and APEC [Asian-Pacific Economic Cooperation].

Restrictions Persist in Trade With Pakistan

94AS0169A Madras *THE HINDU* in English 21 Dec 93 p 9

[Article by K.K. Katyal: "Restrictions Persist in Trade With Pakistan"]

[Text] New Delhi, Dec. 20—Whatever else the latest Geneva accord within the framework of GATT (General Agreement on Tariffs and Trade) may or may not mean for India, it does not automatically open the normal trade channels between this country and Pakistan. The economic dealings between them will continue to be constrained by extraneous considerations unless the two governments take bold decisions to remedy the present artificial situation. The onus for this lies with Pakistan which has not responded favourably to repeated Indian pleas for a normal trade flow. There is nothing to suggest that Islamabad is in a mood to remove the restrictions imposed by it.

New Delhi has been prepared to accord the most-favoured-nation treatment to Pakistan but so far it has not received a favourable response for reciprocal status for Indian exporters—a point that was confirmed in reply to a question in the Rajya Sabha today. Pakistan has restricted its imports from India to 570 items (not all of which have a potential for cross-border dealings). However, two months ago, Islamabad allowed the import of cement and pulses, which are not among the 570, as a one-time exception.

India has no objection to a small negative list which may be considered necessary for safeguarding of indigenous industries, but has made no secret of its disapproval of the present practice, based on the positive list. Even in regard to these items, Pakistani importers cannot deal

directly with their Indian counterparts. The cumbersome licensing regulations bring the official machinery into the picture—and contributes to restrictiveness. The recent annual figures of trade turnover speak for themselves—Indian exports: Rs.[rupees] 151 crores, Pakistan's exports; Rs. 373 crores.

Limited initiative: In the framework of the South Asian Association for Regional Cooperation (SAARC) both India and Pakistan accepted, at the Dhaka summit earlier this year, a limited initiative to promote trade in the region. This took the form of SAPTA (South Asia Preferential Trade Arrangement). The negotiations that preceded the Dhaka decision were marked by hesitations on the part of Pakistan which would have liked either to dilute the arrangement or to give it a longer time-frame. By contrast, other SAARC members—Bangladesh, Sri Lanka and Nepal—were ardent votaries of freer trade in the region. However, preliminary steps even in this limited context have yet to be taken.

For a brief while, after the Shimla Agreement, India and Pakistan did open bilateral trade as part of the measures to restore normality. But soon after, a strong lobby of industrialists in Pakistan prevailed upon their government to change its policy. The swamping of Pakistan's markets by Indian products, they contended, would destroy its nascent industries. In the climate of bilateral suspicion and distrust, this argument instantaneously appealed to the government and it clamped heavy curbs, which continue till today.

India and Pakistan have been buying each other's articles—but through third countries. This arrangement only deprives them of the gains which should accrue to them because of physical proximity and the complementarity of their economies. Responsible persons in Pakistan's ruling establishment, of late, have spoken in favour of doing away with restrictions but have not been able to translate these sentiments into policy decisions.

There is a strong case for the Foreign Secretaries to take up trade at some stage of their forthcoming dialogue. But any such suggestion from the Indian side is bound to arouse suspicion—and be viewed as a trick to divert attention from Kashmir.

Israel Offers Aid in Aircraft, Missile Building

94AS0172A Bombay THE TIMES OF INDIA
in English 22 Dec 93 p 11

[Text] New Delhi, Dec. 21 (PTI)—Israel has offered to co-operate with India in the development of avionics and armament systems of the light combat aircraft (LCA), upgradation of the MiG 21 and development of various missile systems.

The offer was conveyed to top defence research and development officials and air force and navy brass at the just-concluded Avia-93, South Asia's first-ever air show held near Bangalore by top Sibat officials, the Israeli foreign defence assistance and exports organisation.

"Israel is very keen for defence tie-up with Indian armament firms, specially in collaboration for development of missile systems," a top Sibat official said. In fact, next to the Commonwealth of Independent States (CIS), the Israelis had put up a massive display at the Avia-93 show.

The scientific adviser to the defence ministry, Prof A.P.J. Abdul Kalam, the Chief of the Air Staff, Air Chief Marshal S.K. Kaul, and the naval chief, Admiral V.S. Shekawat, held talks with top Israeli aviation and missile experts during the show.

The Israeli aviation firm, Elbit, which has developed one of the world's most extensive facilities for comprehensive upgradation of aircraft, particularly the MiG-21, is in serious contention with Russian Sokol company in bidding for the upgradation of the MiG-21 aircraft.

Air Chief Marshal S.K. Kaul said that the Indian air force, during the next two to three years, would have to get in for upgradation of at least 18 of the 26 MiG-21 squadrons and that the government was seriously looking at various offers.

Elbit officials, who had put up a comprehensive design of the upgradation they had carried out in the MiG-21, said they had installed advanced avionics, including weapon delivery navigation, communication and display systems, and equipped the remodelled aircraft which they had labelled as MiG-21 2000 with sophisticated smart bomb delivery system as well beyond visual-range missiles.

The chief of the Air Staff and the naval chief were at the Israeli stall for more than two and a half hours having a special study of the upgraded MiG-21 systems.

Elbit officials said they were offering the Indian air force an upgradation of MiG-21 which would also include improved radar, and head-up display combine with colour and mono-multifunction display system for weapon handling, facilities for ballistic calculations.

The other highlights of the modification which the Israelis have undertaken in the MiGs are installation of opher (a terminal guidance kit that transforms dumb bombs into smart weapons), dash (a display system and sight helmet for effective utilisation of advanced air-to-air and air-to-ground missiles).

The two sides are likely to further discuss the Israeli offer on upgradation of MiGs when Air Chief Marshal Kaul visits that country early next month.

The air chief said once the final decision was taken, the upgradation would be carried out at HAL [Hindustan Aeronautics Limited] and would only take 24 to 30 months for the upgraded versions to roll out.

Elbit has also offered to collaborate with India on development of nightsight systems for both the air force and army weapons systems.

On the light combat aircraft, the Israeli aviation companies are offering to collaborate in light-weight weapon

delivery system, aerospace composite material components, range-finder target designator laser, ECM [Electronic Counter Measures] and counter-ECM systems.

Dalai Lama Calls China Policy 'Mistaken'

94AS0174A Bombay THE TIMES OF INDIA
in English 25 Dec 93 p 11

[Text] Gurupur (Mysore), Dec. 24—The Nobel peace prize winner and religious head, the Dalai Lama, has expressed deep concern over the cultural genocide, human rights violation and environmental degradation taking place in Chinese-occupied Tibet, and said that "all these events will have a direct, long-term bearing on India's security."

He told reporters here that he noticed a change in the perceptions of the politicians in the country on the Tibet issue over a period of time, and attributed this to the decline in "moral spirit, self-confidence and courage" among politicians of the post-independence era.

However, he said, more stronger feeling and seriousness was being witnessed among the Indian intellectuals and the student community on the sovereignty of Tibet.

Referring to India's policy on China in regard to Tibet, the Dalai Lama said India was "over-cautious." He said India accepting Chinese sovereignty over Tibet was a "mistaken commitment."

"At least India should describe Tibet as an "autonomous region" of China, like the British, he felt and disclosed that Indian legal experts on various occasions had questioned and confronted the stand of the Indian government in this connection.

The Dalai Lama appeared apologetic towards the Indian government's predicament and said "It is not easy for a big nation like India to effect change in policy on an international issue as it involves various factors and aspects."

On the collapse of the eastern bloc, the spiritual head said the collapse of communism had both positive and negative effects on the Tibetan issue and their fight for freedom.

When asked about the opinion on Tibet in western countries and America, the Dalai Lama replied that several western nations, including America, had confirmed the fact that Tibet was an "occupied land" and both the houses of the United States had accepted this.

He expressed his deep gratitude to the government of India, and especially the government of Karnataka, for their support to the Tibetan refugees settled in the state. "The Tibetans in India have preserved their culture and spirituality, all because of positive help rendered by the state and Union government," he said.

Papers Report Malaysian Prime Minister's Visit

Memorandums, Talks

94AS0161A Hyderabad DECCAN CHRONICLE
in English 15 Dec 93 p 13

[Text] New Delhi, Dec. 13—India and Malaysia here on Tuesday signed five memoranda of understanding (MOU) and one agreement in the presence of the Prime Ministers, Mr. P.V. Narasimha Rao and Dr. Mahathir Mohamed, to further intensify their bilateral, cooperative interaction for mutual benefit. The five MOUs related to joint ventures under private sector, investments, railway construction, telecommunications, rubber industry, professional education and airconditioning industry and the agreement related to technical cooperation.

Earlier in the day, the two Prime Ministers had a 40-minute exchange of views agreed and underlined the need for cooperation among developing countries in the context of the recent G-15 (at all levels) meetings to consult together with a view to find ways to fulfil their aspirations.

Such cooperation, Mr Rao pointed out, was of great importance in a changing world which often had the habit of marginalising developing countries. He also welcomed the close interaction with countries like Malaysia.

Agreeing with Mr. Rao, the Malaysian Prime Minister stated that in a world situation like the current one it was important that countries like India and Malaysia should consult each other regularly. They should exchange views on the developments in their region, he added.

Both the leaders emphasised the need to develop bilateral political and economic cooperation.

Dr. Mahathir Mohamed wanted that specific areas to be identified for infrastructural requirements and cooperation.

Both leaders noted that India and Malaysia were countries with strong historical and cultural background. Such countries had their own ways of looking at things, based on their own ethos and some times their national genius could provide solutions to present day problems more effectively rather than simply trying to graft solutions from the developed world.

This one-to-one meet was followed by a full delegation level meet where the two Prime Ministers led their respective teams, Indian delegation included, apart from senior officials, the External Affairs Minister, Mr Dinesh Singh, the Commerce Minister, Mr Pranab Mukherjee and the Minister of State, Mr Buvanesh Chaturvedi.

The Malaysian Prime Minister was assisted by his Foreign Minister and a high level team of officials.

Mr Rao said there had been satisfactory and comprehensive discussions at the recent G-15 meetings of the personal representatives and Foreign Ministers. It was necessary to follow up bilaterally to see that the outcome

is not neglected through a lack of high level attention. He also pointed out that the present bilateral relations between India and Malaysia is an example of how countries could keep in very close touch to further their cooperation.

Dr Mahathir Mohamed agreed with these views and said that Malaysia had the same perception and concerns.

Mr Rao said that in South Asian region's SAARC [South Asian Association for Regional Cooperation] had made a slow but steady progress. "It has come of age," he added. He made inquiries about the ASEAN.

Malaysian Prime Minister mentioned that though the G-15 summit had to be postponed, he said, he was happy to be in India as his country attached great importance to its relationship with India.

Mohamed Press Conference

94AS0161B Bombay THE TIMES OF INDIA
in English 16 Dec 93 p 7

[Text] New Delhi, Dec. 15—The Prime Minister of Malaysia, Dr Mahathir Mohamed, said today that he had sought India's co-operation in building up its defence infrastructure. He confirmed that Malaysia was buying several MIG 29 fighter planes from Russia and had approached India for their maintenance and manufacture of some of the spares.

Addressing a press conference on the conclusion of his four-day visit, Dr Mohamad explained that Malaysia was not acquiring arms with any motive but was engaged in the task of replacing the existing hardware which was outdated. He admitted that Malaysia could afford to spend a little more on defence and to upgrade its armament.

Significantly, Dr Mohamed was quick to add that China for one was getting richer and it would, in real terms, spend more on defence. He, however, explained that this did not indicate that there was any threat of war. "As the nations grow rich, they can afford to spend more on defence," he said.

Dr Mohamed said that Malaysia would welcome India to the Asia Pacific Economic Co-operation (APEC) but felt that some countries would be opposed to it as India was not really on the Pacific rim. The minister of state for external affairs, Mr Salman Khurshid, had yesterday sought Malaysia's help in becoming a member of APEC.

Dr Mohamed said that APEC should be restructured to allow more countries in the region to join. He felt that APEC was too formal a forum. The countries should get together and talk of economic cooperation informally. There were many countries which geographically came under the Pacific rim but were not members of APEC, Dr Mohamed added.

The Malaysian prime minister said that during his visit, he had several rounds of discussions with the Prime Minister, Mr P.V. Narasimha Rao, and other members of the cabinet and the focus was on greater bilateral

co-operation in a number of fields. He said that liberalisation of the Indian economy had opened up new opportunities for joint ventures.

In response to a question, he said that it would take some time for the people of India to accept the economic reforms since any change was always uncomfortable. It would be some time before India achieved the status of a free-market economy.

Regarding the detention of Madame Aung San Suu Kyi, the pro-democracy leader in Myanmar, he said that he regretted the detention of any one without proper trial but added that confrontation was no solution to problems and differences. Efforts should be made to persuade Myanmar to be more liberal.

Replying to a question on Kashmir, Dr Mohamad said that Malaysia stood by the United Nations resolutions and adhered to the policy of not normally interfering in the internal affairs of other countries.

Talking on terrorism, the Malaysian prime minister said that all countries should co-operate to put an end to this. The terrorists should have nowhere to go. No country should give shelter to terrorists, he said.

Rao Meets With Malaysia, Zimbabwe Leaders

94AS0160A Madras THE HINDU in English 14 Dec 93
p 1

[Article by K.K. Katyal: "G-15 Relevance Reaffirmed"]

[Text] New Delhi, Dec. 13—The presence here of the Malaysian Prime Minister, Dr. Mahathir Mohamed, and the Zimbabwe President, Mr. Robert Mugabe, and their talks with the Prime Minister, Mr. Narasimha Rao, and other government representatives today were notable for the reaffirmation of support to the G-15 and its efforts to articulate the aspirations of the South.

The decision of the two dignitaries to stick to their plans to visit India even after the postponement of the summit was a symbolic gesture intended to convey their faith in the relevance of the grouping and their interest to strengthen it. This was evident from their interaction with the Indian leaders. The meaning of the gesture was, certainly, not lost.

The postponed summit, it became clear after today's talks, will be held either in the last week of March or first week of April. And, as was decided by the permanent representatives of the member-countries, the format of the grouping would remain unchanged—the quorum will continue to be 10; the summit will be held, as in the past, once a year; and representation in it will continue to be confined to the heads of State or government. These decisions were approved by the Ministers from all but three of the 15 who met towards the end of last week.

China and Iran had shown interest in associating themselves with the G-15—the former as an observer, the latter as a member. This was among the significant points of last week's discussions which may figure in the talks of Dr. Mahathir Mohamed and Mr. Mugabe, due to

be continued tomorrow. A formal decision on new members could, however, be taken by the summit.

Dr. Mahathir, who arrived here yesterday, was accorded a ceremonial welcome this morning in the forecourt of Rashtrapati Bhavan. He met Mr. Rao for informal consultations, followed by lunch, at the latter's residence. A meeting with a group of Indian businessmen before lunch, and a call on the President, Dr. S.D. Sharma, in the afternoon were the other highlights of his programme. The Finance Minister, Dr. Manmohan Singh, and the Railway Minister, Mr. Jaffar Sharif, called on the visiting Prime Minister.

Mr. Mugabe, who arrived in the morning too, was given a ceremonial reception at Rashtrapati Bhavan. In the afternoon, he and Mr. Rao met with their delegations. Later, the two held talks without aides.

Promoting cooperation

Mr. Mugabe's delegation-level talks with Mr. Rao and the Malaysian Prime Minister's informal discussions with Indian businessmen were part of their other objective—to utilise the visits for considering ways to promote bilateral cooperation, specially in the economic field. Mr. Mugabe met the representative of the Confederation of Indian Industries (CII), while Dr. Mahathir Mohamed will see them at a lunch to be hosted by it tomorrow. The former's plan to visit the National Small Industries Corporation and the latter's programme to go to the Maruti factory tomorrow reflect their interests—Malaysia is keen on expanding opportunities for business and industrial cooperation (the two sides are to sign agreements for joint ventures) while Zimbabwe counts on India's help in rural, small and agro-based industries, extension services, and simple technology, related to its needs. Soon, Zimbabwe will take over huge farms, which continued to be managed by the whites since its independence 13 years ago, and distribute the land among the blacks. It will, therefore, be interested in India's help in building its infrastructure in the agricultural sector.

The informal talks between the Prime Ministers of India and Malaysia related, apart from G-15-related items like the updating of the draft summit communique, to the role of the U.N. and its peace-keeping operations and human rights.

Bilateral cooperation was the main subject of discussion between Dr. Sharma and Dr. Mahathir Mohamed. Asian countries, according to them, had made significant strides in the industrial and technological fields and there was immense scope for cooperation among them in the economic spheres. In their opinion, developing countries could achieve a lot by sharing their experiences in development and pooling their resources for the common good and prosperity.

Panel Comments on GATT Membership Effects

94AS0162A Madras *THE HINDU* in English 15 Dec 93 p 6

[Text] New Delhi, Dec. 14—A Parliamentary Standing Committee of the Commerce Ministry has rejected the

non-BJP [Bharatiya Janata Party] opposition parties' view that India should not hesitate to opt out of the ongoing Uruguay Round of trade talks on Dunkel proposals. It was wrong to argue that India's interest would be served best by giving up the GATT membership, it said.

In its third report on Dunkel draft proposals, tabled in the Rajya Sabha by its chairman, Mr. I.K. Gujral, the committee admitted that the final outcome was not in the best interest of India on every count. But, it argued, in multilateral agreements, "it is always a question of give and take."

Stating that in today's world with increasing interdependence of nations multilateral pacts with Most-Favoured-Nation (MFN) status were advantageous compared to bilateral pacts, the committee cautioned that the country's commercial interests would be ill-served by giving up the GATT membership.

It asked the Government to actively negotiate to bring about a more reasonable balance in the proposed agreement which remains loaded against developing countries, and consider ways to safeguard the sovereign economic rights of developing countries by making common cause with other developing countries.

The committee said that with the ratification of the present round of GATT negotiations, the option now available with the United States to clamp Super 301 unilaterally against any country should also cease. However, it urged Indian negotiations to obtain specific clarifications to that effect.

Referring to individual issues that have a bearing on the country's economic well-being, the committee said a witness deposing before it stated he did not think that Indian agriculture would gain the export market due to reduction in subsidies made by the developed countries. This was because liberalisation in agriculture would be limited and the international support levels for their agricultural products would be reduced by 20 per cent only. Besides, the witness argued the Dunkel text provided for very strict phytosanitary (plant related) standards to be observed for agricultural exports. India and other developing countries would hardly be able to meet these standards, resulting in rejection of their exports.

The committee said the Dunkel proposals would discriminate against Indian agriculture as the subsidies have to be limited to an upper bound of 10 percent of the value of the output for developing countries. This might have grave implications for the poor resource farmers because with increasing cost of energy and other inputs the sectorwise subsidy might exceed this limit.

The committee was of the opinion that contrary to the avowed object of including agriculture in GATT, the result of complying with the Dunkel draft proposal could enable the developed countries to capture the food markets of developing countries and also to control the gene sequences, microbiological resources and genetic engineering.

Threat to PDS [public distribution system]: The committee said if the Dunkel draft was accepted at its face value, the public distribution system could come under severe strain and jeopardy and as such a clear understanding must be obtained from the GATT Secretariat that the country's PDS would not be hit in any way now or in future.

Taking exception to the informality of the understanding that the traditional rights and practices of the Indian farmer for preservation, sale and free exchange of seeds must remain unaffected, the committee said this might not serve the purpose in the days to come and wanted these safeguards given "specific mention" in the GATT.

Referring to Trade-Related Intellectual Property Rights (TRIPS), the committee viewed with grave concern the impact the proposed patent regime would have on India's drug prices. It was of the view that specific instruments must be provided in the TRIPS agreement to ensure that the patent holders did not use their monopoly power to cause steep increase in the prices of drugs and also to ensure that India's fast developing indigenous drug industry was not "gobbled up" by the multinationals.

"The primacy of public interests over the rights of the patent holders should be ensured," it added.

The committee said the Indian patent law had been rightly emphasising patenting of the process and not the product and this should be maintained.

Patent regime: The proposed extension of patent from the current five to seven years to 20 years period virtually discourages any research and development and this should not be conceded, the committee said. It said India should insist on grant of automatic licensing in certain circumstances from the patent-holders in public interests. It said micro-organism and biological process should be kept out of the patent regime.

The committee said to sustain the ongoing modernisation of the Indian industry, it was important that technology transfers continued unimpaired. "The Dunkel draft on TRIPS militates against GATT principles that countries at different stages of development need to be treated differently in as much as the interests of developing countries like India have been ignored in favour of developed countries," the committee said.

On textiles and clothing, the committee said India should explore possibilities to get reasonable improvement in the text as this was one area where India's interest from a liberalised trade was clearly visible and there should be efforts to ensure that potential gains were realised.

On Trade-Related Investment Measures (TRIMS), the committee noted the proposed TRIPS restricted the power of the Government to regulate and control foreign investment. The provisions of the Dunkel draft grant foreign investors advantageous position vis-a-vis Indian investors.

Services sector: On services, the committee said given the stage of India's development, "we should be wary in accepting any binding commitments to open up our services sector where we do not see any economic advantages and what may militate against domestic enterprises."

The committee observed point-blank that no access should be offered as a matter of right in spheres of banking, insurance and telecommunication services. It also viewed with concern the "unbalanced" nature of General Agreement on Trade in Services (GATS), which while allowing for unrestrained flow of capital-related services, said little about the labour-related services.

The committee was also of the view the integrated dispute settlement mechanism as provided in the Multilateral Trade Organisation (MTO) was heavily loaded against developing countries like India, as they could be easily subjected to cross-retaliation.

Fresh discussion sought: Members in the Rajya Sabha today demanded a fresh discussion on the Dunkel draft proposals.

Drawing attention of the chairperson to the report, Mr. Kamal Morarka (Samajwadi Party) said during zero-hour that the tabling of the report comes at a time when important talks are on between the United States and European Community—the outcome of which could have far-reaching implications for India.

Mr. Jaipal Reddy (Janata Dal) also supported the demand for fresh discussion on the report.

Paper Gives Details on Pact With European Union

94AS0170A Hyderabad DECCAN CHRONICLE
in English 21 Dec 93 pp 1, 9

[Text] Brussels, Dec. 20 (UNI)—A major milestone was achieved in the relations between India and the European Union [EU] when the two sides granted each other the Most Favoured Nation (MFN) status on Monday and pledged to reinforce and diversify cooperation in agriculture, transport and communication, health, banking and promoting scientific and technological development. The EU countries are Belgium, Denmark and Greece.

An agreement was signed by Commerce Minister Pranab Mukherjee, Commissioner for developing countries of the EU, Mr Manuel Marin, and Belgian Foreign Minister Willy Claes.

The agreement will also facilitate India to have better access to the European Union technology and promote commercial exchanges.

The 30-article agreement provides for setting up of a joint commission to establish priorities in relation to the objectives and examine ways and means of enhancing the partnership in almost all spheres of economic, technical and industrial cooperation.

In a joint statement following the signing of the agreement, the two sides expressed their resolve to reinforce and intensify their mutual relations in the political, economic, technological and cultural fields.

The EU is India's largest trading partner with a share of 25 percent of Indian exports and 33 percent of its imports.

The two sides attach importance to the principles of respect for human rights and democratic rights. Article I of the agreement states "respect for human rights and democratic principles is the basis for the cooperation between the contracting parties." Under the agreement, the two sides committed themselves to improve the access for their products in each other's market.

The acceleration of the pace of India's economic development by supporting its efforts in building up its economy would get priority.

Another area was the development of existing and new forms of economic cooperation to facilitate exchanges and contacts between the business communities of the two sides to encourage investment.

Support of environmental protection and sustainable management of natural resources would be a focal area.

The agreement has two main parts—economic and development cooperation.

Under the agreement economic cooperation is structured to encourage the private sector with the expectation of resulting multiplier effects.

It will involve three broad fields:

- Improving the economic environment by facilitating access to European knowhow and technology.
- Facilitating contacts between economic operators and other measures designed to promote commercial exchanges and investment.
- Reinforcing mutual understanding of their respective economic, social and cultural environment as a basis for effective cooperation.

The agreement covers cooperation in several specific fields—energy, telecommunications, electronics, and information technology, agriculture and fisheries and tourism.

The agreement recognises India's need for development assistance. To contribute to India's own efforts in achieving sustainable economic development concrete projects and programmes under development cooperation will be targeted towards the poorer sections of the population.

Particular attention will be given to rural development, promotion of employment in rural towns, role of women in development with an emphasis on education and family welfare and primary health care.

The joint statement which was issued after the agreement underlined the commitment of contracting parties

to safeguard peace and establish a just and stable international order in accordance with the United Nations charter.

It suggested political dialogue at ministerial level between India and the EU trioka. The ministerial meeting is expected to be held in near future at Brussels.

The ministerial meeting will exchange information on foreign policy decisions.

It would also contribute to consolidating and developing the political dialogue between the parties.

"European capital and technology could combine well with India's natural and human resources to cater to the growing markets in India and elsewhere in Asia," Mr Mukherjee said.

Call To Suspend Licenses of Foreign Banks

94AS0177A Madras *THE HINDU* in English 14 Dec 93 p 9

[Text] New Delhi, Dec. 13—The Joint Parliamentary Committee (JPC), which is scheduled to submit its unanimous report to Parliament on December 21, has called for suspension of licences of foreign banks as part of the "stringent penalties" for their role in the securities scam.

The third draft report had only called for the imposition of stringent penalties in general.

The phrase "including suspension of their licences" was added as part of the Chairman, Mr. Ram Niwas Mirdha's amendments.

"It is necessary that stringent penalties are imposed on these banks keeping in view the extent of irregularities indulged in by each of them. Legal action should be pursued both in India and the foreign country concerned," the unanimous draft said.

"The Committee desire that special scrutiny may be carried out by the RBI (Reserve Bank of India) in all the foreign banks involved in the recent irregularities and the question of disallowing repatriation of profits through irregular securities transactions and other malpractices be considered," the report said.

Managements blamed: The JPC is quite severe on the managements of the foreign banks as far as the question of accountability is concerned. "A common refrain of the top management of these banks has been their unawareness of what was happening in their banks. Evidence before the Committee points to the fact that the top managements of the foreign banks examined by the Committee were aware of the goings on in their banks."

Referring to the steps taken by individual banks to fix responsibility, the JPC found these "bordered on two extremes." "While BOA (Bank of America) and ANZ Grindlays Bank accepted some of the irregularities committed by them and also expressed regrets, in the case of Citibank it started with outright denials of existence of

any irregularity and gradually veered around to acceptance of most of them," the draft report said.

"During the first evidence, the witness of the bank categorically stated, 'there is no evidence of employees fraud'. Even during the subsequent hearing the witness initially stuck to the same viewpoint and stated, 'there is also no reason to suspect employee fraud'."

"However, in the same breath he added, 'swift action has been initiated. The three seniormost officers and the seniormost dealer in the securities and PMS [Portfolio Management Scheme] areas are no longer in the employ of Citicorp/Citibank. The RBI has been kept informed," the draft said.

Giving details of the operations of foreign banks, the draft said that with an insignificant numerical presence (45 banks with 140 branches) they had made record profits. Indian banks, on the other hand, had about 65,000 branches.

"The net profit of these banks has grown by more than six times during less than five years from a mere Rs.[rupees] 66.59 crores in December, 1987 to a hefty Rs. 433.09 crores in March 1992."

"The profits in March 1992 are to be viewed in the context of the fact that their total presence in the banking system is hardly 0.4 per cent and the profits made by the entire banking industry during the period were Rs. 1,299 crores."

Simultaneously, the Committee came down heavily on the foreign banks for not being able to meet priority sector lending targets. "Their lending to the priority sector...has during the last four years been 7.67, 9.84, 9.45 and 7.86 percent against the targets of 10, 12, 12 and 15 percent."

Though governed by the laws of the land, foreign banks, following the foreign exchange crunch, came to "enjoy more indulgence of the regulatory/monetary authorities, even though theoretically they continued to be governed by the same control measures as applicable to their Indian counterparts."

"The examination by the Committee of securities transactions in banks has revealed that the foreign banks particularly have been deeply involved in the irregularities in securities transactions, they have acted in an unbecoming manner, indulged in large-scale security deals, highly disproportionate to their normal requirements and in the process not only violated RBI guidelines but also their own set procedures and prime facie the laws of the countries of their origin," the JPC said.

Judicial probe demanded: Thirteen members of three major opposition parties in the 30-member JPC investigating the securities scam submitted a combined note to the JPC seeking a judicial inquiry into stockbroker Mr. Harshad Mehta's allegation of a Rs. 1-crore pay-off to Prime Minister, Mr. P.V. Narasimha Rao, JPC sources said.

Kashmiri Groups: We Are Not 'Migrants'

94AS0176A Bombay THE SUNDAY TIMES OF INDIA in English 26 Dec 93 p 9

[Text] Jammu, December 25—Leaders of seven Kashmiri Pandit organisations demanded that the term "migrant," used for them, should be changed to "displaced" to entitle Pandits, uprooted from the Valley, to a "displacement allowance."

The leaders told reporters here on Thursday that 6,000 houses in the Valley belonging to the Pandits had been burnt down by militants. They said that it was the government's responsibility to protect the remaining 80,000 houses as also the Hindu shrines and demanded adequate compensation for any loss or damage to their property.

They said 1,200 Kashmiri Pandits had been killed in the Valley in militancy-related incidents but the government had not been able to provide adequate compensation to the affected families.

Their other demands included pucca accomodation, better education facilities and job opportunities.

The leaders said that the talk of a homeland for them was premature. They said conditions had to be created first for their return to the Valley.

They said the only policy the Centre had on the Kashmiris since 1947 was one of "appeasement" of Kashmiri Muslims. They said that Pakistan had almost succeeded in making the Valley "Hindulless." No political process in the Valley would be deemed as complete without the involvement of representatives of Jammu, Ladakh and "migrant" Pandit community, they said.

Thirunavukkarasu: BJP Rhetoric Empty, Nonnourishing

94AS0096E Madras DINAMANI in Tamil 20 Dec 93 p 4

[Article by Thirunavukkarasu, M.G.R.-ADMK (Anna Dravida Munnetra Kazhagam) General Secretary: "Election-Epilogue: Empty Rhetoric That Won't Fill the Stomach"]

[Text] The results of the state assembly elections held in Uttar Pradesh, Madhya Pradesh, Arunachal Pradesh, Rajasthan, Delhi and Mizoram have given a shock as well as good lessons to many political parties. The Bharatiya Janata Party [BJP] which was in power in four of the six states, was able to form a ministry only in Rajasthan and that too, with the help of a few independents and faced defeat in the other three states. Delhi is the new one where BJP formed the ministry. The crushing defeat of the BJP in Himachal Pradesh, Madhya Pradesh and Uttar Pradesh will prove to be a good turning point in the future of Indian politics.

In Uttar Pradesh Mulayam Singh Yadav-Kansi Ram coalition was successful. The voters did not care in casting their vote whether it was for a national party or a local party. All that they were concerned with was

whether or not the party could provide them with a better life. This has been amply demonstrated by the results. It is a wonder in the Indian political scene that the state that has been traditionally giving Prime Ministers to the nation elected regional parties. The results also indicate that the prefix, 'national' alone cannot bring about good results. P.V. Narasimha Rao is the first person from Southern India to hold the position of the Prime Minister and his position has now been well strengthened by these "mini-general elections." Now he can deal with his rivals in his party effectively and bring about control and discipline in the party. His stature now not only scares his own party men but also opposition parties. Tamil Nadu Chief Minister Jayalalitha's recent visit to Delhi is an interesting example. During her last visit to the capital, she stayed with Advani and met with Rao's rivals—Arjun Singh and Sharat Pawar, much to the annoyance of Rao and came back without seeing the Prime Minister. This time, she sought time to see him in advance, met him, gave him a flower bouquet and a golden shawl, and also had pictures taken. She forgot the 'generation gap', for publicity in the news media. She had to do this due to her fear. When fear creeps in, a person will do anything.

Due to the breakdown of discipline, infighting and group politics, the Congress Party was pulled down to its present miserable plight. The Congress was taught a lesson for its dual stand in the case of Babri Mosque and Ram Janma Bhoomi issues. Neither Hindus nor Muslims accept the Congress Party's stand. The demolition of the mosque has brought down the prestige of India in the international arena. India's secularism and unity also suffered a severe blow. Though all this was due to the BJP, the Congress had to pay the price. In the future, the Congress Party has to be firm in protecting and enforcing secularism and also be very vigilant and nip in the bud any divisive movements and religious fanatics' activities with firmness and sincerity. This is the message that both Hindus and Muslims have jointly delivered to the Congress Party. This itself is a victory for secularism.

The Janata Dal, which had grown to be a national alternative to the Congress in the northern states was rejected by the people. This is not a good sign for India's political health. Even for a lamp of gold to keep its flame steady and effective a device is necessary. Ruling parties should have effective opposition parties. The weakening of these parties is not a good sign. The people do not trust in the opportunistic alliance led by V.P. Singh Chandra Shekhar and Ajit Singh. It is better that those leaders who sincerely oppose the religious fanatics, should quit these groups and join the Congress. It will be good for them as well as the Congress Party. This may result in adding to the formation of another group within the Congress Party.

Anybody could come into power and that too, with a big majority. During their regime, if the legitimate needs of the people are not provided for, the voters may throw out the rulers whom they installed in power. This has been proved just now. Attractive slogans may be sweet

and pleasing to the ears of the people, but can not fill their stomachs. If there is a clash between ears and stomachs, undoubtedly the victory is always for the stomach. The many slogans and disguises of the BJP caused great disappointment to the people.

Even the worst rulers, while in power, may appear to everybody that they are at the top of their popularity. But when the frustrated people wake up, they will give their rulers a crushing defeat, without any hope of their coming up again. This is the lesson from Himachal Pradesh and Madhya Pradesh to the rulers, past and present.

Our people are not fully literate, but they are endowed with a robust common sense. Attractive slogans, pomp and pageantry and agitations alone cannot deceive everybody all the time. This is the message, a lesson delivered by the voters of northern India to all the political parties. Greetings to the voters!

Congress-I Expels Karnataka's Bangarappa
 94AS0171A Hyderabad DECCAN CHRONICLE
 in English 21 Dec 93 pp 1, 9

[Text] New Delhi, Dec. 20—The former Karnataka Chief Minister, Mr Sarekoppa Bangarappa, has been expelled from the primary membership of the Congress for a period of six years, for violation of party discipline and anti-party activities.

A decision to expel Mr Bangarappa was taken by the disciplinary action committee (DAC) of the All India Congress Committee (AICC), which met here on Monday under the chairmanship of Dr Balram Jakhar, vice-chairman of the committee and Union Agriculture Minister. The decision, after considering Mr Bangarappa's reply to the show-cause notice, was unanimous. To expel the former Chief Minister for six years with immediate effect.

Apart from Dr Jakhar, three other members, Mr A.K. Antony, Mr R.K. Dhawan and Mrs Omem Deori, attended the meeting. The committee chairman and Andhra Pradesh Chief Minister, Mr Kotla Vijayabhaskara Reddy has conveyed his agreement over telephone.

The AICC spokesman, Mr Chandulal Chandrakar, who announced the decision at his routine press briefing here on Monday, said he was not aware whether Dr Y.S. Rajasekhara Reddy, the party's Lok Sabha member from Cuddapah, who was also served a show-cause notice along with Mr Bangarappa, has sent his reply to the notice. He also had no official information from the committee about Dr Reddy's reply and whether his case has come up for discussion in Monday's DAC meeting.

Mr Chandrakar said he was informed only about the action taken against Mr Bangarappa.

He said the DAC has taken the strongest action against the former Karnataka Chief Minister in order to maintain discipline in the party.

Mr Bangarappa had sent a very strongly-worded reply to the show-cause notice served on him, in which he launched a blistering attack on the leadership of the party president and Prime Minister, Mr P.V. Narasimha Rao. Mr Bangarappa had also leaked out the reply to a section of the press and announced his intention to launch a regional party in the next few months. In view of this, his expulsion was very much on cards and quite anticipated.

As a matter of fact, the decision to expel Mr Bangarappa from the party was taken by last Friday's meeting of the DAC, which was attended by Mr Vijayabhaskara Reddy, Mr Dhawan and Mr Antony, and there was no need for the committee to meet again on Monday. It was decided then that "strictist possible action" should be taken against Mr Bangarappa for his recent utterances against the party leadership.

The delay in announcing the decision was attributed to the fact that the committee wanted to take the approval of Mr Narasimha Rao, which in turn was delayed because Mr Rao was on tour on Saturday and Sunday in Karnataka. The second meeting of the committee was an attempt to explain the delay in announcing the decision. This was the third meeting of the DAC on the Bangarappa issue.

According to senior party leaders here, the expulsion of Mr Bangarappa is not going to affect the interests of the party in the State. The State leadership had conveyed to the Centre that not a single legislator was likely to go with the former Chief Minister, they said.

Mr Bangarappa's recent action had drawn flak from his party colleagues both in the State as well as at the Centre. About a dozen MPs had recently met Mr Rao and urged him to take drastic action against Mr Bangarappa.

Mr Bangarappa reacted to his expulsion from the Congress on Monday by announcing that he would launch a new State-level party.

Mr Bangarappa said, "I am happy I am out of the Congress headed by Mr P.V. Narasimha Rao, who is unable to uplift the poorer and farming community of the country." He also said that Mr Rao had failed to protect secularism.

When the news of his expulsion was conveyed to him, Mr Bangarappa remarked: "Congratulations, I am happy that I am out of the Congress headed by Mr Narasimha Rao." He said it was a pity that his friends were still there in the Congress under Mr Narasimha Rao, "who is hobnobbing with the BJP [Bharatiya Janata Party]."

Mr Bangarappa said he would decide the date and other details of launching the new party after consultations with his supporters.

The Bangarappa camp received a shot in the arm when five legislators, including three former ministers came out with a statement that the expulsion only proved Mr Rao's "anti-down trodden stand."

Alleging that Mr Rao's "singular objective" that to destroy the leadership of backward classes in the State, they called upon other Congress(I) men to quit the party and form a "new force."

Mr Bangarappa had been toying with the idea of starting a regional party and his expulsion would only hasten the birth of a new party, sources close to him said.

He had toured the districts to scout for support for his move.

In the meetings with his supporters, Mr Bangarappa was understood to have discussed the issue of launching a separate outfit to champion the cause of backward classes. In fact, he had talked of a party on the lines of the Mulayam Singh Yadav-Kanshiram combine.

The supporters of Mr Bangarappa said the expulsion could not have come at a more opportune time with the panchayat elections round the corner in the State. "This would be the acid test for us," the sources said.

However, the supporters of the Chief Minister, Mr M. Veerappa Moily, were jubilant over Mr Bangarappa's expulsion. They felt that dissident activity, which was dented with Mr Bangarappa choosing to take on Mr Rao himself, would now become inconsequential. The Bangarappa group had provided the backbone for the "oust Moily" campaign.

The sources said the former Chief Minister would not be able to draw significant support from the legislature party as a majority of legislators would not be prepared to leave the party for his sake.

Interestingly, this is not the first time that such drastic action has been taken against Mr Bangarappa. He had faced a similar situation earlier and he had floated a regional party then also. The party failed to kick-off and he had to enact a 'home-coming' into the Congress.

Mr Bangarappa, who was made Chief Minister of Karnataka in October 1990 after Mr Veerendra Patil, had to step down following large-scale dissidence in the Congress Legislature Party (CLP) and serious charges of corruption. He was replaced by Mr Veerappa Moily in November last year.

Bangalore (UNI): The Karnataka Chief Minister, Mr M. Veerappa Moily, has termed the expulsion of his predecessor, Mr S. Bangarappa, on Monday as "inevitable."

Mr Moily said that by taking a strong stand against the party and its leadership, Mr Bangarappa had invited expulsion.

CPI-M Central Committee Meets, Tasks Discussed
94AS0167A Bombay THE TIMES OF INDIA
in English 21 Dec 93 p 8

[Text] Calcutta, December 20—The CPM [Communist Party of India-Marxist], at its three-day central committee meeting, is working on the details of distancing itself from the motley National Front.

Tired of its image of being tagged on to miscellaneous political alliances that have failed to yield electoral advantage, the party is finalising a high-profile programme of independent mass mobilisation.

According to sources, the CPM foresees that there will be a great churning of political forces in the country in the near future, as the most backward sections struggle to emerge on the forefront of politics.

The emergence of the Dalits organised under the Bahujan Samaj Party has been an eye-opener for the CPM. Hence the party will continue to pursue political alliances whenever and wherever necessary, based on specific issues, but will not endure any more its role of being a "shrinking tail."

The CPM will launch a large-scale countrywide mass programme to educate the people about the perils of the new economic policy and the changing social realities.

CPM leaders said that circumstances and the Congress had kept the attention of the opposition focused on the problems of communalism, national unity and integrity, and stability, while pushing through the economic reforms package.

While the economic liberalisation programme could not be reversed and in states like West Bengal where the CPM was in power, the administration had no option but to enter into the spirit of the competitive era, the effort of the CPM would be to increase awareness among the people on the disastrous impact of the new economic policy. The struggle to fight the worst fallouts of the new economic programme would be taken up at the state and national levels, CPM sources said.

The central committee meeting, after analysing the results of the elections in the five northern states, concluded that caste politics was bound to dominate the scene in the near future. The emergence of the Dalits as a political entity under the Bahujan Samaj Party was watershed in Indian politics.

The committee saw that the alliance of the Dalits and the minorities was not a conscious, deliberate, calculated political move, but was the reflection of a growing awareness and empowerment among the weakest and most oppressed sections.

In the near future what was likely to happen was increased conflict and violence within the same caste groups between those who suffered from a sense of being oppressed against those who were identified as the oppressors, the CPM's leadership anticipated.

Chalking out a political agenda that can encompass the multitude of problems the CPM faces in its struggle to revive its languishing political fate is growing to be a difficult and complex task for the central committee. The party is adopting an attitude of playing it by the ear, of evolving its tactics as its mass contact programmes get underway, to give it the kind of flexibility it needs to trace a path through the confusing political and economic scenario.

Advani Submits Policy Paper to BJP Executive

94AS0166A Madras THE HINDU in English 20 Dec 93 p 1

[Text] New Delhi, Dec. 19—The Bharatiya Janata Party [BJP] today patted itself on the back for losing but standing first in the November 1993 elections and there was a clear indication that it was not to change direction or dilute its Hindutva ideology.

But having congratulated itself on emerging as "the single biggest party" in the country and for its overall poll percentage of 36.14 (a good 10 percent ahead of the nearest rival, the Congress), it went on to draw some "lessons" from its electoral defeat. Over-confidence, too much emphasis on national issues during the poll campaign, lack of discipline in some State units were among the factors held responsible for the debacle.

Advani's note: Significantly, the key to the party's stand towards its electoral debacle came from a three-page note for consideration of the party's national executive committee which Mr. L.K. Advani, party president, sent from his confinement in Pipri, where he is under judicial custody in connection with the Babri demolition conspiracy case.

Mr. Advani noted that the party had set a high target for itself, that of capturing power in five States. That has not happened. "The sprinter has failed to break another record." But that the BJP is still "numero uno" is not doubted by him, although he admits that it was inadequate compensation for the electoral defeat. The "apt comment" on the elections would be "loser stands first," Mr. Advani said.

The task before the party, he advised the national executive, chaired in his absence by the senior vice-president Mr. Sundar Singh Bhandari, was to "so fine-tune our approach and strategy" that the present disappointment with the November Assembly election results proves a fleeting phase. Quite unequivocally, Mr. Advani said the setback in the election was not a setback for its ideology, for its support base had increased. "The enlargement of the party's popular base is proof that the party's ideology of cultural nationalism continues to gather more and more adherents," Mr. Advani stated.

General secretaries' report: Today on the last of the two-day meeting of the national executive the party discussed not only Mr. Advani's note but also a report on the recent elections prepared jointly by the party's five general secretaries. The report, which has been by and large accepted by the executive, has concluded that several factors may have been responsible for the poor performance.

These have been identified as over-confidence and complacency, failure to project unity at the organisational level in some of the States, tough and unpopular measures taken by some of its State Governments, too much emphasis on national issues rather than important local

issues during the election campaign, and lack of adequate attention being paid to the backward and scheduled caste factors.

Till late this evening the executive committee was discussing the draft political resolution which will be released tomorrow. However, it is learnt that the resolution will by and large reflect the position that the party has not fared badly, that its dizzy growth has been momentarily slowed down, that the general direction of the party and its main ideology needs to be strengthened rather than diluted, and that the task before the party is to rededicate itself to this task.

Changes suggested: As a result of the experience from this Assembly election the general secretaries' report has suggested some changes in the method of selecting candidates. It has suggested that the party should invite applications from candidates only for those constituencies where it proposes to drop a sitting MP [member of Parliament] or MLA [member of Legislative Assembly] or change the candidate which had last fought elections from there. It also has a word of caution for future BJP governments—not to take too stiff and unpopular measures too soon—for the party has identified this factor as the main reason for its rout in Himachal Pradesh.

The main discussion on the general secretaries report and the poll debacle was initiated last night by Mr. Sunderlal Patwa, former Chief Minister of Madhya Pradesh and the man most maligned in party circles as the villain of the electoral defeat in that State. Today's deliberations suggest that the party is opposed to singling him out or making him a scapegoat for the debacle, for after all in Himachal Pradesh the party suffered a complete rout.

Madhya Pradesh was not the only State unit which was "sure" that the party would win hands down. In Uttar Pradesh, the report recorded, the party office-bearers had from the start of the campaign talked about "280 seats in our pocket." The party has been critical of this kind of complacency and has warned that in future too there could be new political alignments and the party would have to prepare itself well.

PTI reports:

The BJP is likely to call off its boycott of Parliament from tomorrow, the leader of the Opposition, Mr. A.B. Vajpayee, indicated.

He said a final decision would be taken at the Parliamentary Party meeting scheduled for tomorrow morning.

He said the boycott issue was discussed at length at the national executive and it was felt the party had registered its protest in Parliament against the continued "illegal detention" of its leaders in the Ayodhya case.

Three-Member Election Commission Approved

94AS0168A Bombay THE TIMES OF INDIA
in English 21 Dec 93 p 13

[Text] New Delhi, Dec. 20 (PTI)—Parliament today approved legislation making the Election Commission a multi-member body and bringing the salaries of two newly-appointed commissioners on par with the chief election commissioner.

The Rajya Sabha passed the bill, the Chief Election Commissioner [CEC] and other Election Commissioners (conditions of service) Amendment Bill, 1993, which replaces a presidential order of October 1, this year. The Lok Sabha had passed the bill last week.

Replying to a discussion on the bill, the minister of state for law, justice and company affairs, Mr H.R. Bhardwaj, justified the presidential ordinance and said the government was willing to hold discussions on electoral reforms with all political parties.

He said there were no political motives behind the ordinance which was in accordance with constitutional provisions and the supreme court directive.

Members belonging to the BJP [Bharatiya Janata Party] and the Janata Dal [JD] opposed the bill saying the government should await the supreme court judgment on the issue and then bring a comprehensive bill on electoral reforms.

The bill was passed by voice vote after amendments by opposition members were negated.

Alternatively, the two parties suggested that the government should accept the amendment moved by Mr S.P. Malaviya of the JD(S) [Janata Dal-Samajwadi] to refer the bill to a select committee till the supreme court gave its final verdict.

Mr Mohd Afzal (JD), however, supported the bill.

He expressed concern over reports that about one million people in the capital were being divested of their voting rights by the election commission by labelling them as foreign nationals.

Mr Sukomal Sen (CPM) supported the bill to make the election commission broad-based. He was, however, critical of the election commission's directive to the West Bengal government to issue photo identity cards to voters by next year.

Mr Chaudhary Hari Singh (Congress) said all members of the commission should be of equal status and should enjoy parity in service conditions.

Opposing the bill, Mr Triloki Nath Chaturvedi (BJP) said as the matter was sub-judice, the government should not pass the bill in haste.

He said though his party was in favour of a multi-member election commission, the primacy of CEC should be maintained.

Papers Report Election Panel Activities**Upper House Elections**

94AS0163A Hyderabad DECCAN CHRONICLE
in English 18 Dec 93 pp 1, 9

[Text] New Delhi, Dec. 17—The Election Commission has decided to ensure that candidates for Rajya Sabha elections contest only from their respective States. In other orders, the commission has modified the format for filing the election expenditure incurred by candidates and an intensive revision of Delhi's electoral rolls.

The Chief Election Commissioner [CEC], Mr T.N. Seshan, told a 'meet the press' programme of the Press Club of India here on Friday that the commission would ensure that such candidates give their correct residential address in the nomination and not merely as 'C/O The Chief Minister'. The measure was intended to check the "backdoor entry" into the Rajya Sabha, he said.

To this end, the Election Commission had asked the Chief Electoral Officers (CEOs) of States to be alert while registering known political personalities in the electoral rolls as voters. The advisory suggests a double check on the "normally resident of the area" clause in the Representation of the People Act to check fraudulent enrolment in the voter list, which in turn enables the personality to contest an election to the Council of States.

Answering a question on the common practice of providing a fictitious address for enrolment in the voters' list, particularly by politicians wishing to contest a Rajya Sabha seat from a State where they are not normally resident, Mr Seshan said the commission was aware of it and had moved in the direction of checking it. "Nobody will be able to get away with giving a 'care of' address in any State," he said.

The Election Commission has modified the format for filing the election expenditure incurred by candidates and directed them to file "correct" accounts. The commission order has called for submission of accounts of election expenditure by contesting candidates in the recent Assembly elections also.

Mr Seshan said that the district election officers, before accepting the revised proforma from the candidates on the election expenses should conduct an inquiry, if necessary, to ensure that these were in accordance with the law. The modified format requires the candidates to show day to day accounts as also total expenditure with details, he said.

The candidates have been asked to keep correct account of all expenditure from the date of nomination till the declaration of results. Mr Seshan expressed concern over the "increasing role of money power" in elections. The government was yet to take action on his recommendations on checking the menace, he added.

Mr Seshan said he had also ordered "special intensive revision" of electoral rolls in Delhi not only following complaints but also because he felt things were at variance with ground reality.

Answering a wide range of questions on the changes he is trying to bring about in electoral practices and procedures, Mr Seshan agreed that a one-day poll all over the country even for Lok Sabha elections was the ideal. The commission, however, could not rush in that direction ignoring the constitutional directive to ensure a "free and fair" poll. The commission would complete the polling process in one day, provided the government extended the necessary police personnel to make the poll free and fair.

He, however, did not foresee such a situation developing in the near future. Mr Seshan said the commission sets up nearly 6.5 lakh polling stations for a parliamentary poll in all the 543 Lok Sabha constituencies. At the rate of just two policemen at each booth, the commission would require 13 lakh personnel. The government could not go one beyond 60,000 personnel in the November round of Assembly elections. With those numbers, he would be able to deploy just one policeman for ten to twelve polling booths, which was hardly conducive to a free and fair poll, he said.

On the question of photo-identity cards to all voters by January 1, 1995, Mr Seshan said the matter was discussed at a meeting of all CEOs in September, where all the 32 CEOs saw no problem of any kind in making this possible by the set date. Now some States were raising the question of resources which was not his look-out. It had to be sorted out between the States and the Centre, he said while declining to comment on the stand taken by the Advocate-General of West Bengal that insisting on identity cards for voters was violative of the constitutional provision of adult franchise.

The question of election expenses of candidates was engaging the close consideration of the commission, which was trying to find ways of enforcing the available legal provisions in this regard. He, however, said there was little that the commission could do if Parliament, in its wisdom, did not arm it to deal adequately with the issue.

Similar was his stance on barring persons with a criminal background from contesting the polls.

Another aspect which the commission is looking seriously into is the exit polls conducted by some organisations, which find their way into newspapers. These exit polls had the potential to influence the voting pattern in other areas, he admitted.

Mr Seshan, even as he declined to answer a question on why restrictions were imposed on the entry of media persons into polling stations, on the ground that the matter was pending before a court, said one reason he could share with the press right away was that of overcrowding in polling booths. With an average of 50 candidates in one constituency, there would be as many poll agents inside a polling station. There would also be the average six polling staff and if journalists also went inside in good numbers, there would be no room left for

the voters, he said. The CEC, however, promised that reporters would not be given scope for complaining the next time round.

Delhi Rolls Revision

94AS0163B Bombay *THE TIMES OF INDIA*
in English 25 Dec 93 p 3

[Text] New Delhi, December 24—The election commission (EC) has directed the chief electoral officer (CEO) of the Delhi government to undertake a special intensive revision of the electoral rolls with January 1, 1994, as the cut-off date.

This follows the commission being convinced that the revision of rolls in March and April this year by the Delhi administration had been done in a "gravely unsystematic, slipshod and unacceptable manner."

The commission has thus placed on record its "severest displeasure" against all those officers responsible for the defective rolls and its intention to proceed against them separately.

The fresh revision, which entails house-to-house enumeration, will be carried out under the detailed supervision of its observers, and publication of the draft and the final rolls will not be done without the commission's "specific written clearance" for each of the 70 assembly constituencies.

It has also warned that any defect in the rolls so published will invite the "most serious consequences."

The commission has said that the house-to-house enumeration should begin on April 4, 1994, and the final publication of rolls be completed by October 20, 1994. The CEO has been directed to stick to the deadline.

The commission has pointed out that it had received an "extremely large number" of complaints regarding defects in the preparation of the rolls and these continue to "pour in every day."

"The nature of these complaints regarding the electoral rolls, as published on March 9 and April 2 this year are proof that the work of revision has been carried out in a slipshod and unacceptable manner," it noted.

It lists them as:

- Omission of names of persons, who have been residing at the same address for the last 20 years or more, of whole localities and blocks of buildings, continuance of names of dead persons and related and multiple duplication of identical names in rolls of several constituencies.
- Names included in the draft rolls had been left out in the final rolls without any orders.
- Number of cases where the particulars of voters such as name, age, father's name, sex, etc., are either wrong or defective.

The complaints received were from representatives from all walks of life, including but not restricted to ministers,

defence service personnel, associations of residents of established colonies and political parties. Besides, newspaper reports too had pointed out these omissions, the commission noted.

The programme for the revision of the rolls is: house-to-house enumeration (from April 4 to May 18); verification of citizenship status by the authorities concerned and preparation of manuscripts and printing of draft rolls (by July 18); publication of draft rolls (on July 19); period for filing claims and objections (from July 19 to August 19); disposal of claims (by September 19); preparation and printing of supplementaries (October 19); and final publication of rolls (October 20).

Voter Identity Cards

94AS0163C Hyderabad *DECCAN CHRONICLE*
in English 16 Dec 93 p 1

[Text] New Delhi, Dec. 15 (UNI)—The Election Commission on Wednesday ordered that all electors in all Parliamentary constituencies in the country except Jammu and Kashmir be supplied with photo identity cards by November 30 next year.

The eleven-page order issued by the commission secretary, Mr K.P.G. Kutty, made it clear that the commission would not hold election after January 1, 1995, unless all eligible electors were supplied with photo identity cards by this deadline.

The order categorically stated that the Chief Electoral Officers and the State Governments or Union Territories would not be given any extension beyond the above deadline under any circumstances.

"It is therefore squarely the responsibility of the State Governments and Chief Electoral Officers to strictly abide by the schedule and ensure compliance.

"Any slippage or non-compliance for any reason whatsoever will be visited with appropriate action by the commission for which the State Governments and the Chief Electoral Officers concerned alone will be responsible," the commission warned.

The commission directed all the State Governments and Union Territories to acknowledge the receipt of this order within a week from Wednesday.

The following is the schedule fixed by the commission for issuing photo identity-cards to electorate:

1. Issue of comprehensive instructions to EROs [expansion not given] by the ECOs and forwarding of a copy of the compendium of instructions to the Election Commission by December 31, 1993. [date as published]
2. Supply of paper to EROs—by January 31, 1994.
3. Award of contract to the agencies—February 28, 1994.
4. Completion of photography and lamination—by August 31, 1994.

5. Completion of distribution of cards to electors and consignment of duplicates—by November 30, 1994.

Papers Report Developments in Securities Scam

Reserve Bank, Ministry Scored

94AS0173A Bombay THE TIMES OF INDIA
in English 22 Dec 93 p 19

[Text] New Delhi, December 21 (PTI)—The joint parliamentary committee (JPC) today held the top management of the Reserve Bank of India (RBI) and the finance ministry equally responsible for the multi-crore rupee securities scam saying "deregulation without effective checks and balances would be an unmitigated disaster."

In its Volume I report tabled in Parliament today, the committee said if RBI had not turned "a blind eye to the massive irregularities in the banking transactions between the period of July 1991 to April 1992, when thousands of crores of bank funds were diverted to the stock market, it would not have been possible for some brokers to play havoc with the system."

It said Mr S. Venkitaramanan as the governor of RBI during this crucial period must be held no less responsible.

Referring to the finance ministry's role in the scam, the committee said it failed to anticipate the problem, respond to it purposefully when it first surfaced, manage adequately thereafter the consequences of it, apply the needed correctives with promptness and punish the guilty in time and resolutely.

On the role of top RBI officials in the scam, the committee said the suggestion to treat the foreign banks differently, the delay in the issue of the circular of July, 1991, failure to incorporate all the deficiencies in this circular and the absence of any follow-up action subsequently, the delay in the issue of the bill discounting circular for 22 months, recommendation to appoint people in top positions which proved to be a liability and display of unusual interest in the account of Harshad Mehta were all acts of "omission and commission" on the part of the former governor of RBI, Mr S. Venkitaramanan, which could not be "overlooked in any of their ramifications."

Similarly, the large number of SGL (security general ledger) bouncings, the deficiencies in the functioning of the public debt office (PDO) and the goings-on in both State Bank of India [SBI] and the National Housing Bank [NHB] of which Mr R. Janakiraman was a director, clearly indicates "there was dereliction in performing his duties" as deputy governor, the report observed.

The committee noted that Mr Amitava Ghosh, who was the deputy governor in charge of department of banking operations and development [DBOD] for ten years, must be held primarily responsible for the continuing irregularities in the banking sector, ignoring the various

inspection reports prepared by the terms of RBI inspectors over the years like the Augustine Kurias report, the Ranganathan report and for being 'casual' in his approach to his duties.

Mr N.D. Parameshwaran, the chief officer of DBOD should also be held responsible for the lapses of the department. The JPC said, he need not have played any role concerning the account of Harshad Mehta.

It also urged review of the penal clauses in the BR (bankers' receipt) Act and other relevant Acts to enable RBI to impose graded penalties and other types of punishments commensurate with the seriousness of the abuse.

Referring to the functioning of public sector banks and appointments of top posts in these banks, the committee asked the finance ministry to set up a board on the lines of the public enterprises selection board for appointment of chief executives and executive directors of nationalised banks.

The committee noted as many as ten top former executives of the 20 nationalised banks had, during the past few years, been found involved in serious irregularities. This was "a telling commentary on the process of selection and appointments by the government," it said.

Irregularities committed by top management not only adversely hit the functioning of their respective banks but also led to the malaise spreading over the entire banking system, JPC said.

It said this hoax of flotation of funds by PSUs [public sector undertakings] was perpetrated and the funds so released became a principal source of finance for all varieties of speculative and illegal transactions in the securities market, as well as the stock market. The placement of PSU funds became the single great contributor to the scam, it said.

"What the committee finds as condemnable is that all this was public money and all who were playing with it were public servants," it observed caustically.

The committee favoured replacing the government nominee directors from the boards of public sector banks, who are at present from the civil services.

It strongly felt, in view of their conduct and activities in the scam, the working of foreign banks had to be strictly supervised as in a way, they were the initiators of the scam as well as the major players.

In the light of these mistakes, the committee felt, the responsibility and accountability of the finance minister to Parliament could not be 'denied'.

Though the finance minister tried to disown direct responsibility for administrative failures or management deficiencies in the case of individual banks and other financial bodies, the committee said such a distinction could not be sustained by the constitutional jurisprudence under which the parliamentary system worked.

In the light of developments that had supervened, the committee said the relevance of continuing in its present form the banking division and the stock division by the finance ministry needed to be examined.

The committee came down heavily on what it termed the "culture of non-accountability in all sections of government and the banks."

Describing this culture as "the most unfortunate aspect" of the scam, the report said. "The scam was a result of failure to check irregularities in the banking system and also liberalisation without adequate safeguards."

"While the mood of the government is upbeat on liberalisation, their orientation towards strict enforcement has yet to manifest itself. Deorientation without effective checks and balances would in the view of the committee be an unmitigated disaster," it said.

Former Governor's Deposition

94AS0173B Madras THE HINDU in English 22 Dec 93
p 6

[Text] Madras, Dec. 21—The alleged "acts of omission and commission" on the part of the former Governor of the Reserve Bank of India [RBI], Mr. S. Venkitaramanan, considered by the Joint Parliamentary Committee [JPC] on the securities scam, included "reactivation," in April 1992, of the current account of Harshad Mehta in the State Bank of India (Main Branch) in Bombay.

This allegation, according to the deposition of Mr. Venkitaramanan and his clarifications to the committee, was misconceived because there was in the first instance no freezing or deactivation of the account by the RBI but only an order to monitor the flow of funds. (The RBI has no power to freeze a current account except under legal procedures like implementation of a "garnishee order" from a court or on issuing a show-cause notice to the account holder.)

What had happened in the case of the Harshad Mehta account, according to the defence put up by the former RBI Governor, was that on March 16, 1992, extracts from the current account of Harshad Mehta with the SBI were brought to the attention of Ms. Viswanathan, Executive Director of the RBI, by Mr. M.N. Goiporia, Chairman of the SBI. This itself was the result of a query made by the RBI Governor at a meeting held in the RBI on March 10, 1992, as to the source of funds of Harshad Mehta.

The information from the SBI Chairman on the Mehta account was shown by Ms. Viswanathan to Mr. Venkitaramanan on the same day (March 16, 1992), whereupon the latter reiterated over the telephone his instructions to Mr. Goiporia to monitor the account. Ms. Viswanathan, on her part, instructed RBI officials to scrutinise voucher entries on the Mehta account on a top priority basis.

Harshad Mehta did not operate the account between March 16 and April 1, 1992, but again operated it from April 2 to 8, 1992. Whatever the reasons which impelled

Harshad Mehta to operate or not operate his current account, the fact was that there were no orders from the RBI to the SBI for freezing or defreezing the account or to withdraw the monitoring of the same, Mr. Venkitaramanan is understood to have told the JPC.

Foreign banks: Another issue that has exercised members of the JPC is the alleged instruction, given by Mr. Venkitaramanan in his note of March 20, 1991, to the Deputy Governor, Mr. Amitabh Ghosh, for "different treatment" for foreign banks suspected to be involved in irregular transactions in PSU [public sector undertakings] bonds and Government securities.

Mr. Venkitaramanan clarified to the JPC that all that his role of March 20, 1991 (which, incidentally, was issued within three months of taking over his job) said in respect of foreign banks was that "while foreign banks are involved, we have to take care." The note had also mentioned that several banks who were suspected to be carrying on "fictitious" transactions in violation of norms and instructed the Deputy Governor to ensure that such transactions did not take place. (The full magnitude and modus operandi of the transactions came to light only in subsequent investigations especially by the Janakiraman committee.)

Mr. Venkitaramanan told the JPC that orders to "take care" (while dealing with foreign banks) did not mean either closing one's eyes to the wrongdoings of foreign banks or going soft on them. The instruction, calling essentially for proper alertness and caution in dealing with them, was issued in the context of the massive foreign exchange crisis that had overtaken the country at that time and the frantic efforts then being made by the Government and the RBI to shore up the reserves. The situation was such that the RBI, while following up the securities issue, would at the same time be soliciting foreign currency deposits from foreign banks under a scheme launched under instructions from the Government in 1990.

Subsequent investigations conducted by the RBI on securities trading in fact, covered foreign banks and revealed several irregular practices on their part.

A third issue on which the then RBI Governor was questioned by the JPC was his role in the appointment of Mr. M.J. Pherwani as Chairman of the National Housing Bank (which, as revealed later, was a leading player in the scam) and of Mr. K. Margabandhu as Chairman and Managing Director [MD] of the UCO [Unitrd Commercial] Bank. Mr. Venkitaramanan pointed out to the committee that the Appointments Board, headed by him and including representatives of the Finance Ministry, at its meeting on February 9, 1991, recommended the name of Mr. Margabandhu in view of his record of handling industrial relations problems successfully in the State Bank of Saurashtra as its then MD.

The RBI Governor told the Board that mainly because of the better selection and training procedures at the SBI compared to other banks, the quality and standard of its officers was of a high order. Considering the weak

financial position and working environment at UCO Bank and the fact that no other officer of the rank of Deputy MD of the SBI was then willing to assume responsibility of chairmanship of the UCO Bank, the Board finally recommended his name. Mr. Margabandhu, it noted, had also worked in Calcutta in the SBI.

As for Mr. Pherwani, the RBI had recommended his name for the [National Housing Bank] NHB chairmanship in view of his experience, expertise and innovative approach (Mr. Pherwani, who was earlier Chairman of the Unit Trust of India, was at that time heading the infrastructure Leasing and Financial Services Ltd. besides being a Director of the Maharashtra State Financial Corporation). The Appointments Board, while considering the RBI recommendation, decided to leave the matter to the Government to finalise but expressed the view that if Mr. Pherwani was selected, he could be allowed to continue as IFL Chairman.

Mr. Venkitaramanan sought to impress on the JPC that the RBI could only recommend names based on facts available to it and if there was anything that went against the individuals concerned, it was to be taken care of by vigilance inquiries before issuing orders.

In respect of charges of delay or laxity in following up his initial note and in issue of circulars to all banks (which was done by the RBI in July, 1991), the JPC is understood to have been told by Mr. Venkitaramanan that the intervening period was taken up by investigations by the bank. What was more, he said, it was he (Mr. Venkitaramanan), who insisted on issuing the circular in July 1991, ruling out suggestions from the Deputy Governor concerned for appointing an auditing firm to examine the issue further. The Governor had taken the view that since evidence of irregularities in securities trading had existed within the RBI as early as 1986-87 following a report submitted at that time by an official, the matter brooked no further delay.

Petroleum Minister's Denial

94AS0173C Bombay THE TIMES OF INDIA
in English 23 Dec 93 pp 1, 11

[Text] New Delhi, December 22—The minister for petroleum and natural gas, Capt. Satish Sharma, today emphatically denied that he had received remittances from abroad from "questionable sources" or "made substantial investments abroad in various ways in violation of the country's laws."

In similar statements in both houses of Parliament, during zero hour the minister also refuted the allegation that he had been involved in banking investigations in the U.S. regarding questionable investments abroad or had disclosed government policy to unauthorised people before any official announcement.

Capt. Sharma, however, stated that he had received remittances valued at about Rs[rupees]43 lakhs from his younger brother, Mr Girish Kumar Sharma, who is settled in United States since 1972 and is now a citizen

of that country. The funds were received through regular banking channels between 1986 and 1992 and reflected in his income-tax returns, he added. He pointed out that his brother had his own professional management services in the United States and had no business in India.

The statement came at the end of persistent demands from the opposition for two days for a clarification from the minister. The opposition, which had been clamouring for a detailed discussion on the charges, was not satisfied with the statement.

In the Rajya Sabha, Capt. Sharma's explanation triggered off a prolonged uproar as opposition members sought clarifications from the minister, a demand which was turned down by the deputy chairperson, Ms Najma Heptulla, on the ground that rules did not permit a debate on a personal explanation.

Angry opposition members persisted, claiming that Capt. Sharma's explanation was bereft of facts and contained nothing but a string of denials. They said it could not therefore be categorised as a "personal explanation" and instead should be treated as a *suo moto* statement, on which they had a right to ask questions. Congress members were equally vociferous as they banded together to shout down the opposition members, insisting that Capt. Sharma's explanation did not call for a debate.

Ms Heptulla, however, remained unmoved. She cited the case of Ms Maneka Gandhi, who as environment minister, had made a personal explanation in the Rajya Sabha following certain allegations by the Congress party, which was then seated in the opposition benches. Ms Heptulla reminded the members that even at that time, she had given a similar ruling and disallowed a debate. There cannot be different sets of rules for different persons at different times, she added.

The entire drama lasted nearly 40 minutes as both sides stuck to their views. Mr S. Jaipal Reddy (Janata Dal) pointed out that since Capt. Sharma's statement was in response to notices submitted by members it could not be treated as a personal explanation. He argued that since the minister's clarification was sought on record, it is implied that the matter is before the council for consideration.

The Lok Sabha speaker Mr Shivraj Patil also disallowed any discussion. There was a procedural wrangle, with Mr George Fernandes (Janata Dal) demanding a debate. Mr P.K. Bansal (Congress), rising on a point of order, quoted rule 357 and said no discussion could be held on the statement. It was upheld by the Speaker.

Mr Fernandes referred to his letter on the subject addressed to the speaker and to the minister and asserted that the latter had to reply to all the 32 points raised by him. The speaker, however, stuck to his ruling, pointing out that most of the points in any case did not relate to the minister.

Earlier the BJP [Bharatiya Janata Party] president, Mr K.L. Advani, pointed out that while members of the

Rajya Sabha could seek clarifications on such statements, members of the Lok Sabha could not do so. He suggested that an exception be made in this case in view of its importance.

When Mr Jaswant Singh, deputy leader of the BJP, started reading our part of a document to "establish the nexus" between the minister and the NRI [nonresident Indian] concerned, the speaker restrained him, saying he had to go by the rules. The BJP member stated that not only the transfer of funds but also the acquisition of major companies was involved. A reference by him to the Congress party evoked strong protests from the treasury benches.

Capt. Sharma's clarification was in response to the charges levelled by Mr Jaswant Singh in the Lok Sabha and by Mr J.P. Mathur (BJP) and Mr Ashis Sen (CPM [Communist Party of India-Marxist]) in the Rajya Sabha on the basis of certain documents and reports in a Delhi daily.

Replying to Mr Jaswant Singh's charge about disclosure of policy decision, Capt. Sharma said the member had not cared to point out which particular policy was disclosed to unauthorised persons. "I may take this opportunity to point out that the allegations published in the INDIAN EXPRESS related to some fax communication regarding the disclosure of the 'discovered oil field programme' ... This programme was approved by the government as early as July 2, 1992 which was then announced globally by means of booklets. Hence there is no question of my disclosing it to any person unauthorisedly," he stated.

Reserve Police Given Human Rights Course

94AS0175A Bombay THE SUNDAY TIMES OF INDIA
in English 26 Dec 93 p 9

[Text] New Delhi, December 25—To make every serving personnel of the Central Reserve Police Force (CRPF) sensitive to violations of human rights, a special three-day capsule course has been introduced by its training branch.

The course is to be conducted at regular intervals.

Training is any day more beneficial than punishing the erring personnel, said the paramilitary force's officiating director general, Mr S.V.M. Tripathi, while addressing the annual press conference here.

"That is why we decided to correct our men at the beginning itself. This capsule course will not only teach them the basics of human rights but even familiarise them with the international scenario," explained Mr Tripathi.

Every personnel of this paramilitary force is also being supplied a booklet of guidelines regarding the human rights. "This booklet will tell the personnel about the dos and don'ts in particular situations," he added. As of now, our men at times do not know how to proceed in peculiar situations, said Mr Tripathi.

He reiterated the organisation's attitude towards the erring officials as also the jawans. He said numerous men and officers were summarily dismissed from service or they suffered reduction in rank and pay and even compulsory retirement, in cases where charges of human right violations got substantiated against them. He said during the last year, there have been no reports of such violations by the CRPF.

The paramilitary force, mainly deployed in Punjab, Jammu and Kashmir, the Terai region of Uttar Pradesh and north eastern part of India, has had significant success while handling counterinsurgency operations. Till November, this year, the CRPF liquidated 150 militants and caught another 645. Over 450 fire arms, including AK 47, 56 and 74 assault rifles and rocket launchers, were seized by the CRPF personnel during this period.

Talking about the Rapid Action Force (RAF), Mr Tripathi said in another three months time the remaining five battalions of RAF too would be raised. At the time of its inception, RAF was to have ten battalions but due to commitments, only five could be raised.

The CRPF has also taken over nearly 25,000 hectares of forest area in Orissa, where the organisation would not merely be responsible for the protection of it but even make efforts for its upkeep and maintenance, he revealed.

The officiating director-general also disclosed the recent approval by the government of their proposal to convert two battalions into Training battalions. With this, the CRPF would now be in a position to give training to its men on rotational basis, which so far has not been possible because of pressures.

Developments in Military Aircraft Building

Light Combat Planes

94AS0165A Bombay THE TIMES OF INDIA
in English 18 Dec 93 p 6

[Article by Dinesh Kumar: "LCA Fabrication Begins"]

[Text] Bangalore, December 17—The Defence Research and Development Organisation (DRDO) has already begun metal cutting and fabrication of the Light Combat Aircraft (LCA) and has frozen the existing design and configuration.

The LCA, which is a DRDO project, is expected to roll out in March 1985 and test flown for the first time in June 1986. [sentence as published] The period in between—called the systems integration test phase—will involve the necessary extensive tests before the plane actually flies.

The DRDO is simultaneously also working on developing a naval version of the LCA meant to be operated from aircraft carriers. Its test flight will take place only after that of the air force version.

However, it will not have a vertical take-off and landing capability as is the case with the Sea Harrier of British origin, presently in the Indian navy's inventory.

Similarly, Hindustan Aeronautics Limited (HAL), which is also working on developing a naval version of the Advance Light Helicopter [ALH], is scheduled to test fly the prototype sometime next year. The naval version is slated to have anti-submarine warfare, anti-shipping and early warning capabilities. The Indian Navy currently makes use of the Russian Ka 28 and the British Sea King helicopters for anti-submarine warfare.

The DRDO has been conducting extensive wind-tunnel testing for the LCA's aerodynamic performance. The venues of conducting very high speed wind tunnel and other specialised testings have ranged from Onera in France, Calspan and AEDC [expansion not given] in the United States, and Tsagi near Moscow in Russia in the last two years.

Some more tests for fine tuning its performance is scheduled to be carried out at the Central Aerodynamic Research Institute, located near Moscow early next year.

The contract signed with Martin Marietta earlier this year to jointly develop a fly-by-wire flight control system for the LCA is expected to fructify in early 1985. [sentence as published] The Flight Control System, which will be similar to that being fitted in the Swedish JAS 39 Gripen, will involve computers, rate of turn, acceleration and air data sensors and actuators.

Discussions are on for seeking Martin Marietta's help in developing an armed version of the ALH for the army which is to be fitted with a 20-mm gun.

Martin Marietta has made offers to fit the APG 27 radar in both the LCA and for the upgraded version of the MiG-21. The American firm claims that the radar has a look down range of 21 miles, a look up range of about 27 miles, apart from electronic counter measures matching the F-16s available with the Pakistani air force.

The current bilateral contact on the Flight Control System for the LCA involves complete transfer of technology to the aeronautical defence establishment Martin Marietta has claimed that the technology is at par with that fitted in the new generation B-2 Stealth bomber and the F-18 multi-role combat aircraft. This is the first time that they will be co-developing a system with a foreign country.

The Kaveri engine for the LCA, currently in an early stage of its development by DRDO, is scheduled to be ground test run by September 1994. It will, however, have to be taken abroad for high-altitude testing owing to the limitations in this facility in India.

As per an agreement signed with the United States, India is getting 11 General Electric GE-404 engines for the initial prototypes of the LCA.

The indigenously developed Kaveri is meant to replace the GE-404 engines.

The LCA will cater to a track-while-scan capability of up to eight targets, a laser designation pod, and complete software controls for an extremely versatile multi-role capability. The light supersonic fighter is to be fitted with a Beyond Visual Range capability of up to 60 km, a variety of state-of-the-art missiles, and a mission preparation and retrieval unit.

National Air Show

94AS0165B Bombay *THE TIMES OF INDIA*
in English 18 Dec 93 p 11

[Article by Dinesh Kumar: "A Lacklustre Air Show"]

[Text] Bangalore, December 17—The phased array Rajendra Radar integrated with the Akash missiles, which is India's indigenously developed equivalent of the Patriot missile system, the Pilotless Target Aircraft (PTA) and the first full-scale mock-up of the Light Combat Aircraft (LCA) were the star attractions of India's indigenous defence development programme at the three-day international air show, Avia-India '93, which started yesterday near Yelahanka, about 20 km from here.

Singapore is understood to have shown interest in the PTA, named Lakshya, which has been jointly produced by the Aeronautical Development Establishment (ADE) and the Defence Research and Development Organisation (DRDO). The Rajendra Radar, with a C3-I (command control communication and intelligence) configuration, is undergoing trials and is scheduled to be set for induction by the end of next year. The LCA is scheduled to roll out in March 1995 and test flown for the first time at Bangalore in June 1996.

From the defence point of view, the air show proved to be a lacklustre affair with a token aircraft representation of two Mirage 2000C, multi-role fighters of the French Air Force. Neither Russia, which is India's largest source of defence equipment and military aircraft, nor the United States or any other western country had flown in any type of defence aircraft for either air or static display. For example, there was neither the much promised Russian Su 27 long-range interceptor nor either of the U.S. multi-role F-15/F-16 multirole aircraft. The only other military aircraft for static and air display was the heavy lift Transol transport aircraft, also belonging to the French Air Force.

Even the Indian Air Force was not adequately represented at the air show providing for merely fly-pasts of two types of fighters—the Jaguar and MiG 29, and three types of choppers—Cheetah, Chetak and the Mi-8. The air display was inaugurated by the Chief of the Air Staff, Air Chief Marshal S.K. Kaul.

The Indian Navy was more effectively represented by a magnificent air display of the Vertical Take Off and Landing (VTOL) capable Sea Harrier of British origin and the Ka-28, anti-submarine warfare (ASW) helicopter of Russian origin. The Navy even managed a fly-past of

the impressive long-bodied TU 142 long-range maritime reconnaissance aircraft of Russian origin.

Hindustan Aeronautics Limited displayed a variety of both indigenously developed and foreign collaborated helicopters and fighter and transport aircraft. The Army and air force version of the HAL manufactured Advance Light Helicopter (ALH) provided both a fly-past and air display. However, the only modern aircraft that formed part of the HAL's static display inventory was the Jaguar, a deep penetration strike aircraft (DPSA) of British origin. The others were the Indian-manufactured Kiran jet trainer, the HPT 32 basic trainer, the German originated Dornier 228 transport aircraft, the phased-out Gnat and Marut fighters, and the Chetak light helicopter.

The most dynamic and heart-stopping performance in the otherwise unimpressive air display was that of the Mirage 2000C flown by French Air Force pilots. The mid-air combat manoeuvre by the fighter version of the Mirage 2000C left the public and defense officials gaping. The manoeuvres involved the French pilot stretching himself up to 9g in side and vertical combat manoeuvres and over -2g in an outward combat manoeuvre.

The other static display of interest was a full-scale mock-up of the upgraded version of the MiG 21 (bis) redesignated as the MiG-21-93. However, the aircraft has the same engine and air frame although its avionics, weapon delivery system and weaponry are comparable with the state-of-the-art MiG-29 air superiority interceptor.

Interestingly, the Israeli Aircraft Industry (IAI) had set up a mock-up display of an upgraded cockpit of a MiG-21 (bis), redesignated the MiG-21-2000, in its indoor stall fitted with an avionics and weapon systems claiming to be even more superior to the Russian package.

IRAN

Hamas Receives Major Aid Increase

94LA0049A London AL-SHARQ AL-AWSAT in Arabic
5 Dec 93 p 3

[Unattributed article: "Iran Increases Its Support For 'Hamas' in Order to Cause the Palestinian-Israeli Agreement to Fail"]

[Text] Iran, according to official sources in Tehran yesterday, has agreed to a major increase in the aid being provided to Hamas and the other hard-line Palestinian movements in order to prevent the agreements concluded between the PLO and Israel from being put into effect.

The announcement, which dealt with the Iranian commitments concerning increasing the financial, diplomatic, and media-related support provided by Tehran to this movement, was made during meetings that were held between Iranian leaders and a Hamas delegation currently visiting Iran, which is headed by Musa Abu-Marzuq, head of the movement's Political Bureau, and Ibrahim Ghawshah, its official spokesman. So far the delegation has held a series

of meetings with high-ranking Iranian political, military, and security officials. In order to underscore Iran's determination to more effectively oppose the agreements concluded between the PLO and Israel, Iran's spiritual leader, 'Ali Khamene'i, also met with the Hamas delegation. It should be pointed out that Khamene'i, as of the last few weeks, has personally taken over the supervision of Iran's efforts to frustrate the peace process.

Analysts are of the opinion that there are indications of the existence of differences in points of view between Iran and Hamas.

In an interview given yesterday by Abu-Marzuq to the newspaper JOMHURI-YE ESLAMI, which is published by Khamene'i, the Hamas leader expressed his belief that the PLO and Israel would not be able to accomplish the Israeli withdrawal from Gaza and Jericho by the 13 December deadline. Abu-Marzuq hinted that the agreement would fail because of the contradictions inherent in it. He also expected that U.S. Secretary of State Warren Christopher's current mission to the Middle East would be a failure. The Hamas leader's point of view is close to that of Syria, which is that it is necessary to remain uninvolved in the agreement between the PLO and Israel and thus allow it to fail.

However, Iran believes that it is necessary to take additional measures in order to guarantee that this agreement fail. These measures, according to statements by the Iranian media, should include escalation of the armed conflict and intensification of the intifadah.

But Abu-Marzuq is apparently convinced that the agreement still has the support of the Palestinians and that any parties attempting to blow it up might thus be risking their political positions. Hamas leaders also affirm that it is necessary not to provide Israel and the PLO with a pretext for holding Hamas and other hard-line groups responsible for the "inevitable failure" of their agreements.

In his interview, Abu-Marzuq said the plan for autonomy, no matter how limited, can never work as long as the Israeli settlers do not withdraw from the occupied territories. Khamene'i had decided to call for the holding of an international conference to be attended by the parties and nations opposed to the agreement. But he failed to obtain the support of Syria and the Palestinian groups for such a conference.

Apparently the idea of forming a new "rejectionist front" has been delayed until next year. One of the reasons for the delay has been Syria's wish to bide its time in order to see what can be achieved by means of U.S. mediation.

Another reason is the fact that the hard-line Palestinian groups believe that Palestinian leader Yasir 'Arafat, during the next few months, will exhaust his supply of good intentions and thus pave the way for the emergence of a new leadership that will be more of the hard-line type.

The final reason is that the Arab hard-liners are reluctant to hand over the reins of control of an Arab issue to a non-Arab country, that is, Iran.

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